Freight Traffic RACK CARS ARE ALTERED FOR '69 FORDS

September 30, 1968

RAILWAY AGE

THE TRANSPORTATION WEEKLY

OCT 1 1968

New traffic rides the NH

A shipper says: "Get tough with us on L&D"

Tomorrow's equipment—as suppliers see it

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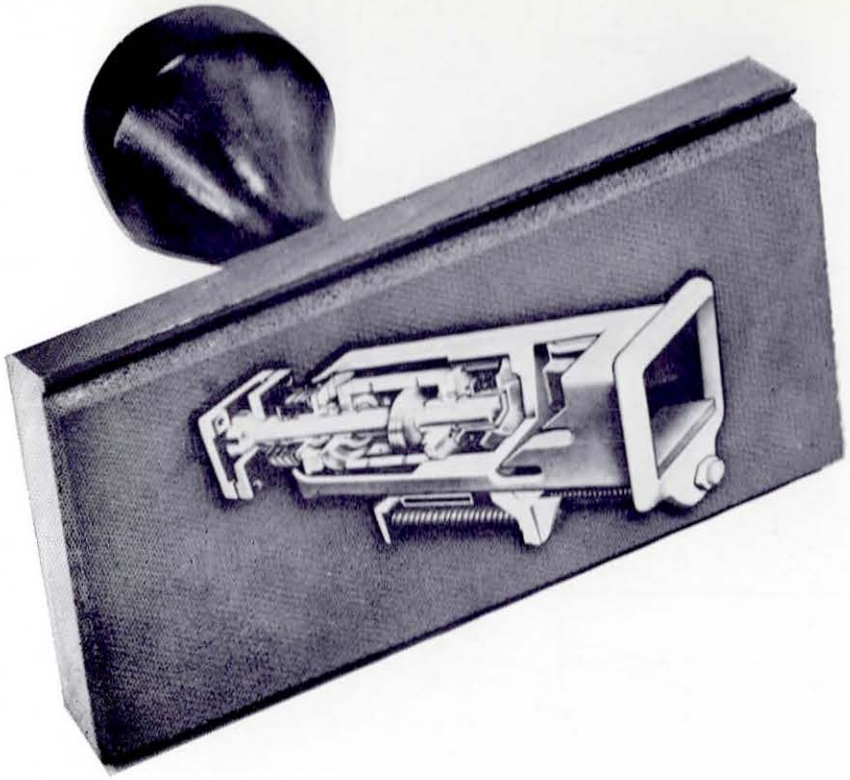

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Rubber stamp imitations of FreightMaster's concept are on the horizon. They're sort of like pie-in-the sky when you consider the record. A dollar and cents record that shows reduced freight claims and extended operational longevity for virtually every piece of FreightMaster equipped rolling stock.

FreightMaster originated end-of-car hydraulic cushioning over a decade and 30,000 car sets ago. And since then has set a performance standard of superior protection for car and cargo that others must try to match.

Today, FreightMaster offers the industry's widest selection of cushioning equipment. Leading the line of seven precedent-setting units is the 15″ hydraulic stroke Type HD Unit — the unit that provides superior performance under AAR type conditions of almost 13 mph with less than 500,000 lb coupler force. And only 570,000 lb coupler force at 14 mph in the squeeze test.

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Circle 1 on coupon page 53

More trailers than ever are taking the train.

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The Milwaukee Road, Union Station Building, Chicago, Illinois 60606

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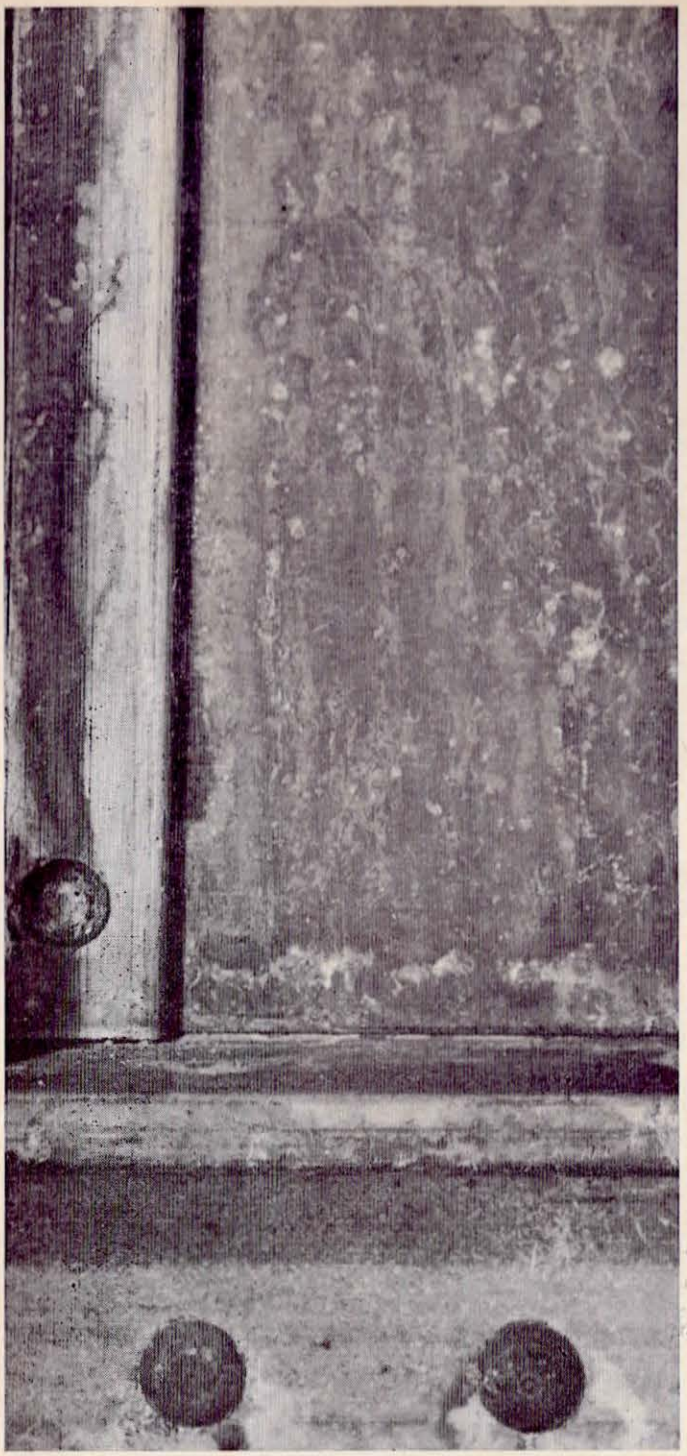

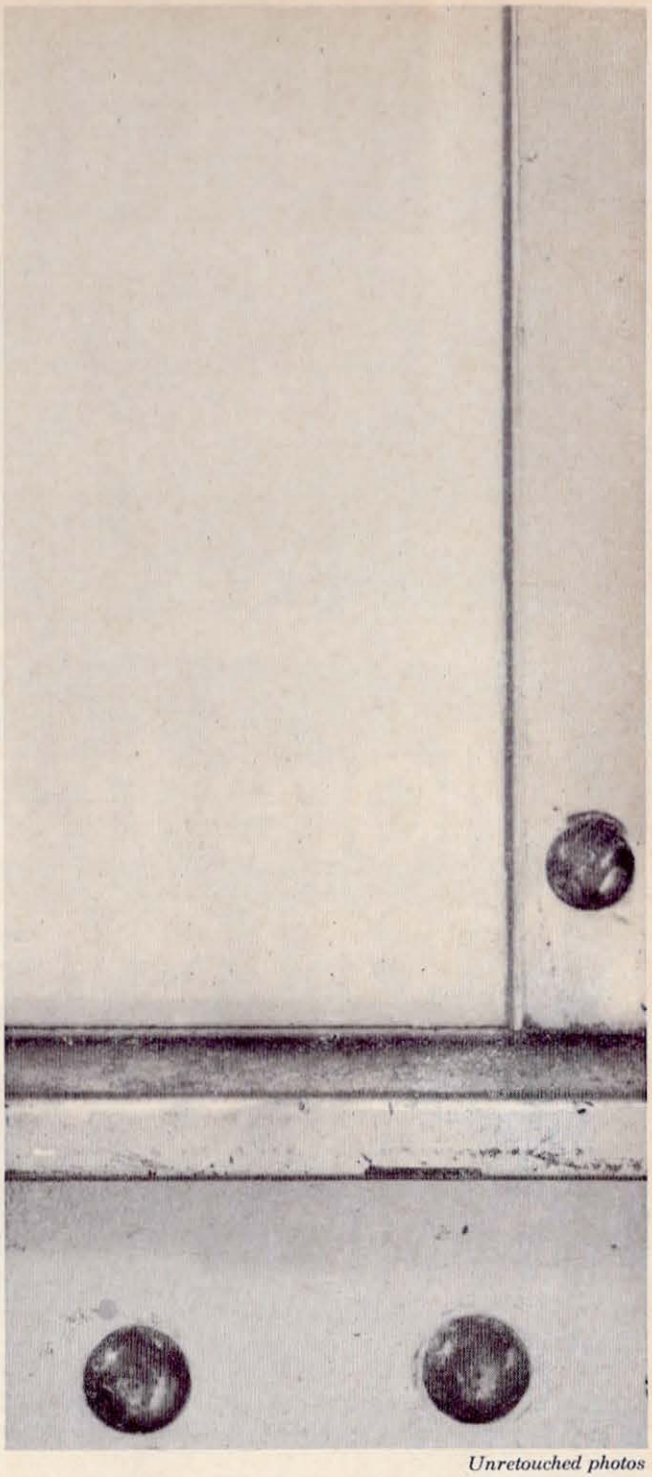

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Here's why we paint aluminum aluminum!

After 200 hours of testing in a merciless salt spray (the equivalent of 3 to 5 years of actual service) the Fruehauf pre-painted aluminum paneling (above right) is almost as bright as new. No hint of corrosion. The conventionally-used bare aluminum (left) is seriously corroded and unsightly.

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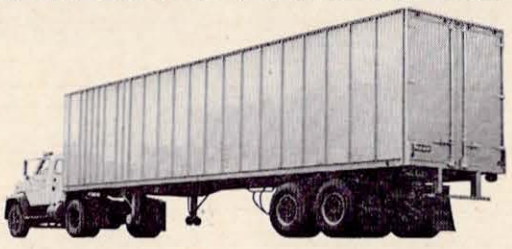

Fruehauf's Model F

A new concept of trailer value of the highest quality

RAILWAY AGE

Sept. 30, 1968 • Vol. 165, No. 13

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. . . AND COMING NEXT WEEK

With federal aid, the State of New Jersey has purchased 35 gleaming new commuter cars (built by St. Louis Car Division of General Steel Industries) for service on the Penn Central. A favorable vote on a transportation bond issue in November could bring several hundred more cars into service. A special report in the Oct. 7 issue of Railway Age will describe the cars in detail—and explore the nation-wide implications of the New Jersey program. Also: The Skokie Swift success story.

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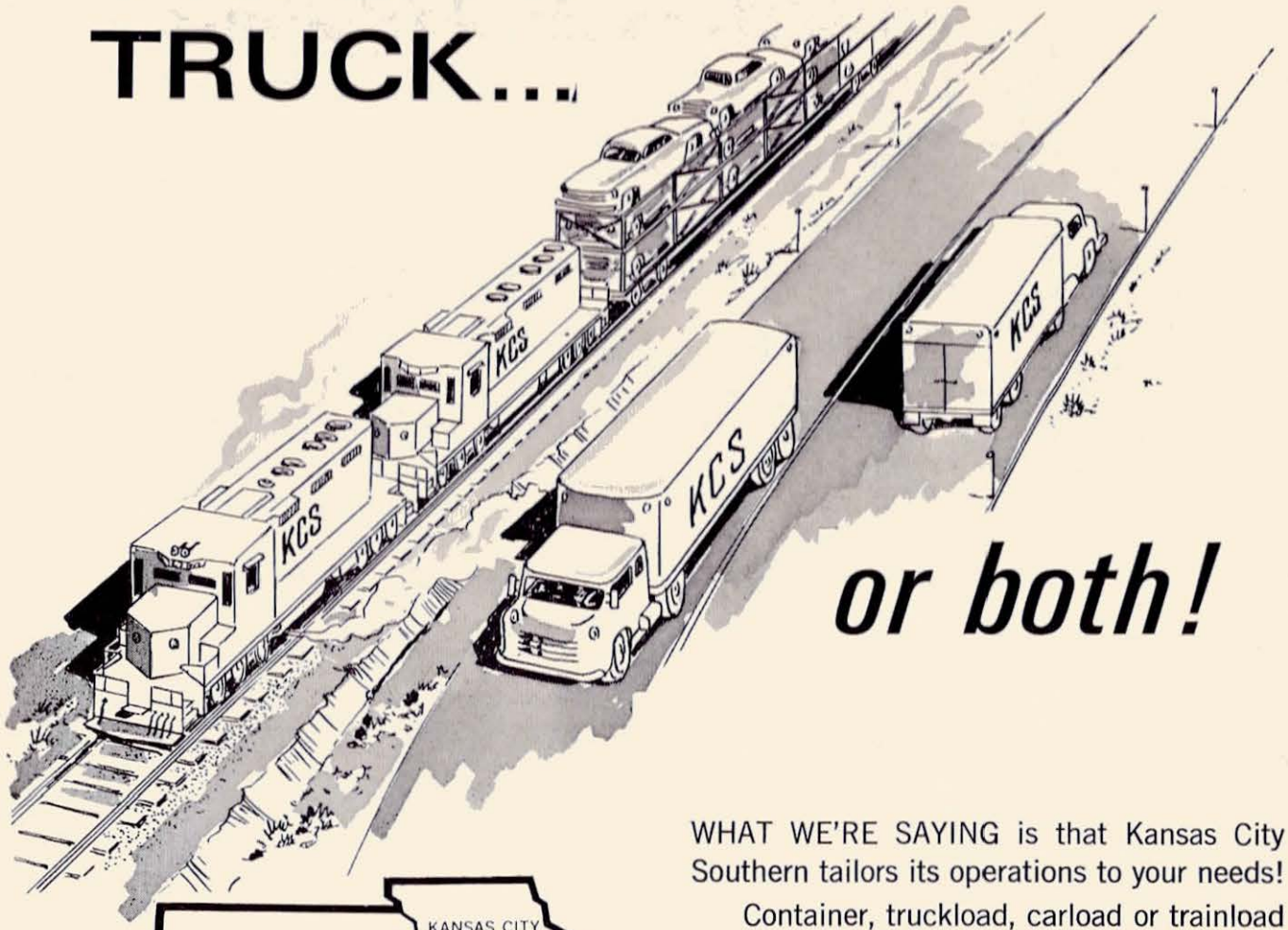

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Container, truckload, carload or trainload — we'll move it with dispatch, for the least possible cost!

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SHORT AND SIGNIFICANT

Yardmasters ban strikes till 1970

The Railroad Yardmasters of America has become the ninth rail union to take the no-strike pledge. Their moratorium is effective to Jan. 1, 1970. The pledge was part of an agreement with U.S. railroads that included general wage increases totaling 8.5%. There's an immediate monthly raise of 3.5%, retroactive to July 1, 1968. Pay will jump another 2% Jan. 1, 1969 and another 3% July 1, 1969. The agreement sets up a fund equal to $10 a month per worker for adjustment of pay rates to recognize skill, duty and training differences. Also included are broader holiday rules and benefits for employees injured while traveling in off-track vehicles under railroad orders.

KCS orders longest girder bridge

For relocation of its track across the Arkansas river at Redland, Okla., Kansas City Southern has ordered what's believed to be the longest box girder bridge in the world. It's a 2,110-foot structure designed by the KCS consulting engineers, Forrest and Cotton, Inc., of Dallas. The bridge will go up without falsework because after assembly it will be pushed across in two sections, one from each bank. Construction, by the U.S. Army Corps of Engineers, will take two years. KCS will relocate its Arkansas river bridges between Fort Smith, Ark., and Muskogee, Okla.

L&N directors OK $40-million bond issue

Louisville & Nashville directors have okayed a collateral trust bond issue worth $40 million to be dated Dec. 1, 1968, and due Dec. 1, 1993. Offering details and invitation for bids will be sent out Oct. 23. Sale proceeds will go for new property, branchline construction and replenishment of working capital.

Menk group starts 2-week Japan visit

A group of eight Northern Pacific traffic men led by Louis W. Menk, NP president, departed Sept. 30 for two weeks of talks with Japanese shippers, ship owners and government representatives. The trip is part of the export-import transport service program between the U.S. and the Far East that NP established with the opening of a Tokyo office in June 1967. The program involves coordination of the rail, ship and truck moves of containerized raw materials and manufactured goods.

Plans progress for Washington visitor center

Work to turn Washington's Union Station into a National Visitor Center will begin next year, the Department of the Interior announced last week. Interior Secretary Stewart Udall said an agreement with the railroads involved—Penn Central and B&O/C&O—is expected to be signed soon, and design contracts will be awarded. The project calls for the railroads to turn over the station and $16 million to the National Park Foundation. The Foundation, a non-profit organization, would supervise renovation of the terminal and lease the Visitor Center to the federal government. The terminal would be transformed into four theaters, exhibit halls, an orientation-reception area, lounges and restaurants. The work is expected to cost $16 million. A new passenger station would be built in the yards north of the present terminal.

New Haven to seek new loan from Penn Central

Trustees of the New Haven are seeking Federal court permission to borrow an additional $4 million from the Penn Central to keep the line operating through the first of the year. The bankrupt railroad received $10 million from PC earlier this year under an ICC-approved loan agreement authorizing borrowing up to $25 million over a three-year period. On Oct. 7, hearings will begin in New York on a plea for immediate inclusion of New Haven into the Penn Central. NH inclusion is part of the Pennsylvania-New York Central merger arrangement approved by the ICC. Final determination of how much PC will pay NH bondholders for the property has been a stumbling block.

MONDAY MORNING REPORT

THE FIRE, AND THE FURY

As the current political campaign seems to be proving, there's no wound deeper than that inflicted upon a progressive whose progressiveness isn't admitted. Hell, of course, hath no fury like that of a scorned female. And on the industrial scene, few managers seem to experience the smoldering resentment of a railroad manager whose best efforts in behalf of 90% of the business are ignored, as the general public presumes to carp about that other 10%.

DOING GOOD—WITH NO APPRECIATION

Thoughtful people know the problem. As Santa Fe's John C. Davis notes, "we are deluding ourselves if we don't consider that despite all the affirmative action being taken by the railroad industry, the bulk of the people in this country still think of the railroads only in terms of the movement of people." Santa Fe's vice president-executive is by no means alone in his assessment of the big image-problem. The same thing surfaced at the annual meeting of the Association of Railroad Editors.

RAILROADS—A DYING INDUSTRY?

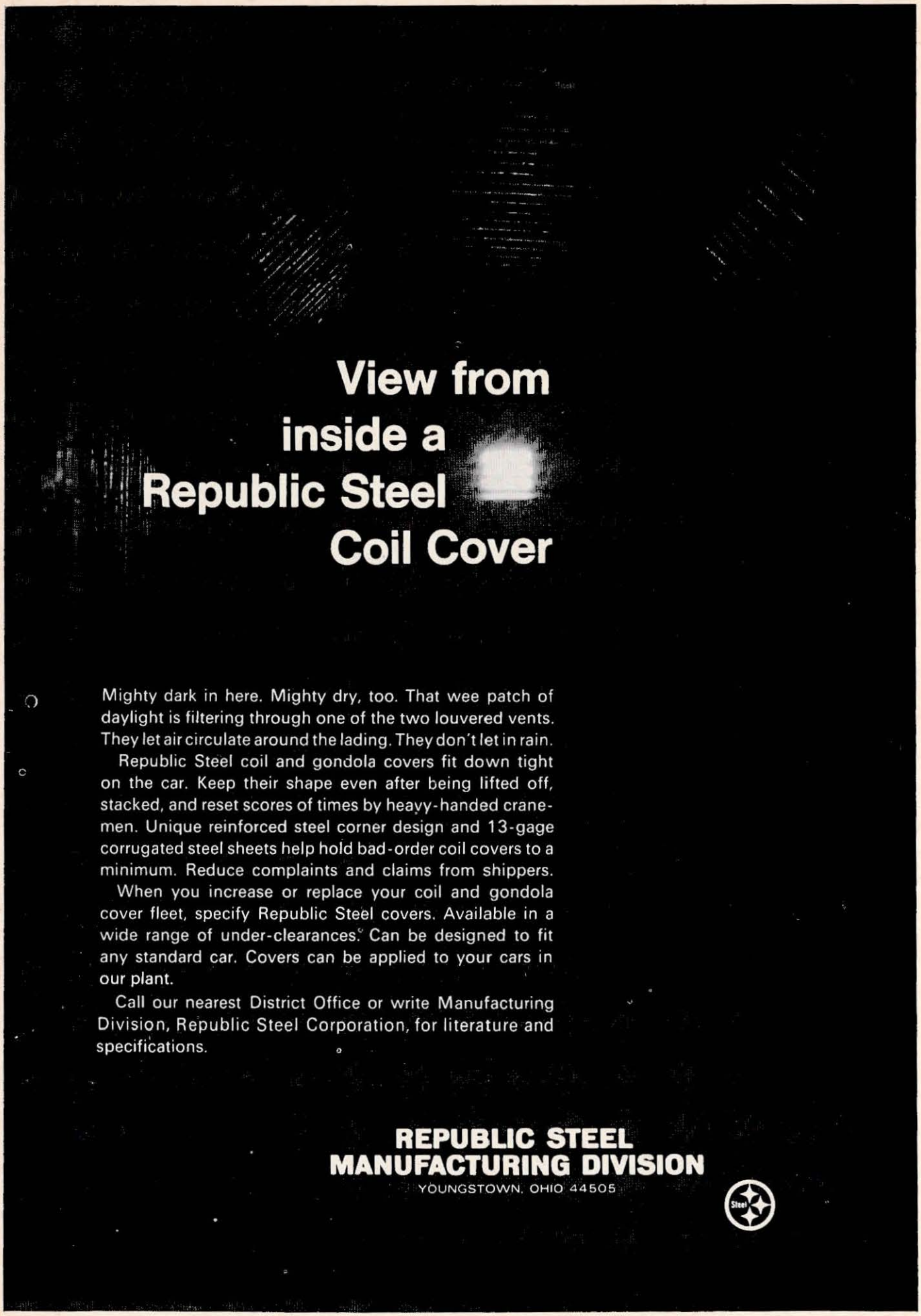
At ARE, the catalyst was an advertising-agency executive—who observed that, so far as he was concerned, railroads just might be a dying industry. He was challenged: "Don't you know everything we're doing for the shipper?" His reply, paraphrased: "So what? This doesn't touch me." He had had, it appears, a bad experience on a passenger train years ago—and he hadn't forgotten. So far as he was concerned—and, remember, this is one of the opinion-makers in the general public—railroads have had it, because . . .

WHAT CAN THE EDITORS SAY? YES? NO?

ARE's meeting was one of the best, perhaps *the* best, that the association has ever had, in terms of attendance and in terms of subject matter. But was there an answer to the man who said, as it were, "Railroads are dying"? There couldn't really be—aside from the answers that came from the viscera. The answers that come from the head haven't all been formulated—and the company-publication editors may not be the people from whom these answers should be coming, or at least not yet.

IT'S MANAGEMENT'S JOB: GRAB THE BALL—AND RUN

Several things, however, may have to be taken into account. One is that the work done by company editors is increasing in its importance. Another is that the people doing the work are improving, steadily, in their own willingness to undertake what is so often a grim and thankless job. Management, then—as some see it—has both the opportunity and the obligation to provide the incentives.


View from
inside a
Republic Steel
Coil Cover
Mighty dark in here. Mighty dry, too. That wee patch of daylight is filtering through one of the two louvered vents. They let air circulate around the lading. They don't let in rain.
Republic Steel coil and gondola covers fit down tight on the car. Keep their shape even after being lifted off, stacked, and reset scores of times by heavy-handed cranemen. Unique reinforced steel corner design and 13-gage corrugated steel sheets help hold bad-order coil covers to a minimum. Reduce complaints and claims from shippers.
When you increase or replace your coil and gondola cover fleet, specify Republic Steel covers. Available in a wide range of under-clearances. Can be designed to fit any standard car. Covers can be applied to your cars in our plant.
Call our nearest District Office or write Manufacturing Division, Republic Steel Corporation, for literature and specifications.
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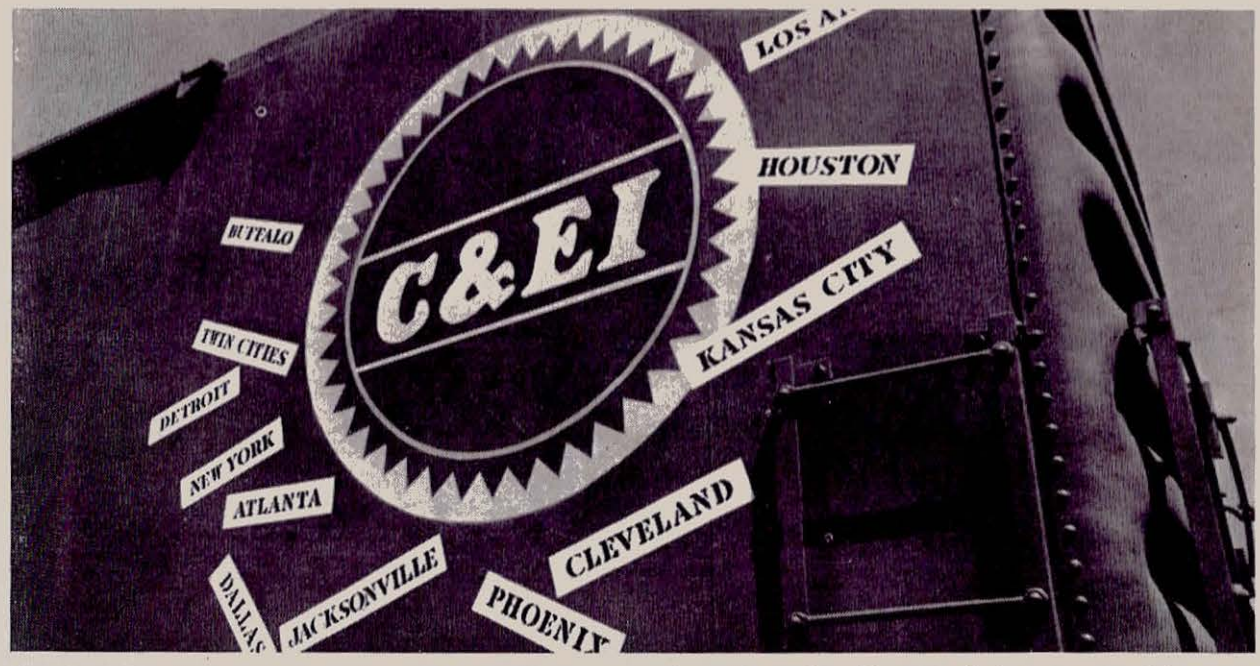
C&EI starts a lot of things it can't finish.

Which is why we're Mid-America's most versatile railroad.



With only 862 miles of track in Indiana and Illinois, it obviously isn't how far we travel that's important. It's where we travel.

Because C&EI is a "feeder" or connecting line. We take freight from out in left field and put it smack into the mainstream of mainline transportation. If you want to ship north out of Chicago toward Oshkosh...by gosh, we can arrange it. Got a big deal in the northeast, like Buffalo? Start with us and get there fast. West, southwest, deep in the heart of Alabama or a straight sweep to Florida... C&EI has enough track to put you on the right track.

Remember that, next time you ship to, through or from Mid-America. We may only be a short railroad. But you'll be amazed how far you can go because we have the right connections.

CHICAGO & EASTERN ILLINOIS C&EI

WEEK AT A GLANCE

NMB summons Belt owners and the BRT

The National Mediation Board is taking a new interest in the strike which has idled the Belt Railway of Chicago since July 29. In wires to the chief executives of the Belt's owner lines and to President Charles Luna of the Brotherhood of Railway Trainmen, the NMB last week called for a meeting Sept. 26 in Washington. The communication itself said that "in further effort to resolve this dispute and in order to comply with the purpose of the Railway Labor Act, the NMB has directed that mediation conferences shall resume. . . ." On both sides, a question was raised: Is the board resuming jurisdiction in the case? And, if so, does that mean that striking BRT members return to work while further mediation is in progress? There were no immediate answers. Meanwhile, BRT President Luna was winding up the union's quadrennial convention in Hollywood, Fla., with a new term sewed up.

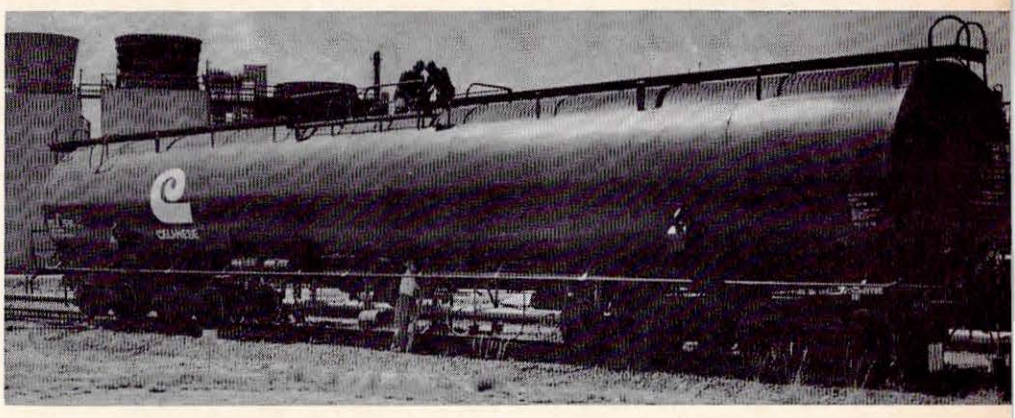
Penn Central is seeking bids on 130 diesels

Penn Central is in the market for an additional 130 diesel-electric locomotives in the 3,000-to-3,600-hp range. Builders have been asked to submit bids by Oct. 30.

The railroad—which was born out of the merger of the Pennsylvania and the New York Central early this year—announced an order just last month for 100 diesel locomotives at a cost of $24.5 million. That order included 70 units from Electro-Motive and 30 from General Electric (RA, Aug. 19, p. 33). All of those units are scheduled for delivery to PC by November of this year.

Railroads take a long look at the Portager

Sometimes, in railroading, a new design concept is years ahead of its time. It could be this way with the Portager, a single-trailer/container car developed in 1961 by General Motors Diesel, Ltd., to concept-specifications outlined by Canadian Pacific and Smith Transport Ltd. (RA, Aug. 28, 1961, p. 48.) North American Car brought the unit across the border in '61, with no immediate success. But, the four-wheel car now seems to be attracting new attention, with the increasing development of containerization and the new concepts of land-bridge transportation. North American will be exhibiting the car at the track exhibits this week in conjunction with the Coordinated Mechanical Associations meetings. More to the point, perhaps, the car has recently been out for new tests and evaluations on two major roads in the West and Midwest. Portagers can be unloaded or loaded facing either way, from either side and in any order.



A new giant to carry methanol

Celanese Chemical Co. has put into service a car that's hailed as the largest tank car going for hauling methanol.

The 47,400-gallon mammoth (above) was designed and built for Celanese by General American. GATX built three of the units.

Each car weighs 130,400 pounds empty, and about 439,000 pounds full. The cars have an inside diameter of 10 feet, and an underframe length of 85 feet, five inches over striker plates. Ends of the cars are supported by two four-wheel 70-ton trucks connected by a cast-steel span bolster with an integral draft arm.

All operating fittings and the manway are on the bottom of the tank for access from ground level.

Unusual features are an air-activated bottom liquid valve with dry break quick-connect coupling, air connection with back pressure and vacuum relief valves, magnetic float gauging device, and thermometer. The cars were built at GATX's Sharon, Pa. plant.

LINES ON LABOR

GUS WELTY

PEOPLE TALK A LOT, today, about the "new breed" in railroad management. Perhaps what's needed now is a new breed in union management—a type of union officer who isn't afraid to kick an occasional sacred cow, a type of union officer who dares to put aside the past and take a chance on the future.

ENLIGHTENED MANAGEMENT wants to involve the employee and his organization in what's going on. The question is whether rail labor will be ready or willing or able to handle the participation which may be offered. A new degree of maturity will be required. New skills and new talents will be needed within the organizations—the kinds of skills and talents not ordinarily associated with labor unions or with the orientation of the men who climb to power in the rail labor movement.

TRADITIONALLY rail unions have prided themselves on being "responsible." But neither the future of the railroads nor the future of the organizations looks very secure unless certain new definitions of responsibility are written. At some time, for instance, labor will have to recognize that it does not exist in a vacuum—that it has an obligation, even on selfish terms, to work with management toward the over-all betterment of the enterprise. And at some time, for instance, labor will have to recognize that the real opportunity for building better jobs lies not in preserving every rule that was ever written, but rather in adapting, innovating, daring to explore new ground.

THERE ARE PROBLEMS, of course. The first—maybe the biggest—is the simple matter of building mutual trust. That can come only from experience, and the sooner the better. A second problem—also a major one—has to do with the capability of the organizations to understand the opportunities and then to act upon them. Few if any unions today are so equipped. In the past, they haven't had to be. In the future, they'll block progress unless they are.

FOR SOMEBODY in labor, for the man to make the first move, there's quite a reputation to be won. There's also quite a job that could be done, in helping to produce those higher paid, more secure jobs by helping to create a more productive, more profitable industry. For somebody in labor, there's a chance, even an invitation, to step forward and lend a hand. And time, as the old saying goes, is a-wasting.

New effort planned to make "Zephyr" a going train

Despite evidence of staggering annual losses, the ICC insists that the "California Zephyr" stay in business. And so the three roads that operate the Chicago-San Francisco streamliner are setting out a new and "vigorous effort to increase the patronage and reduce the losses." As outlined by Burlington Vice President and General Counsel Eldon Martin, the CB&Q-Rio Grande-Western Pacific program will include:

—A doubling of the advertising budget for the train, with ad spending three times normal for the rest of 1968.

—Institution of a $10 coach and $20 first-class special charge as of Oct. 15.

—Application for a 10% basic fare increase to be effective Nov. 1.

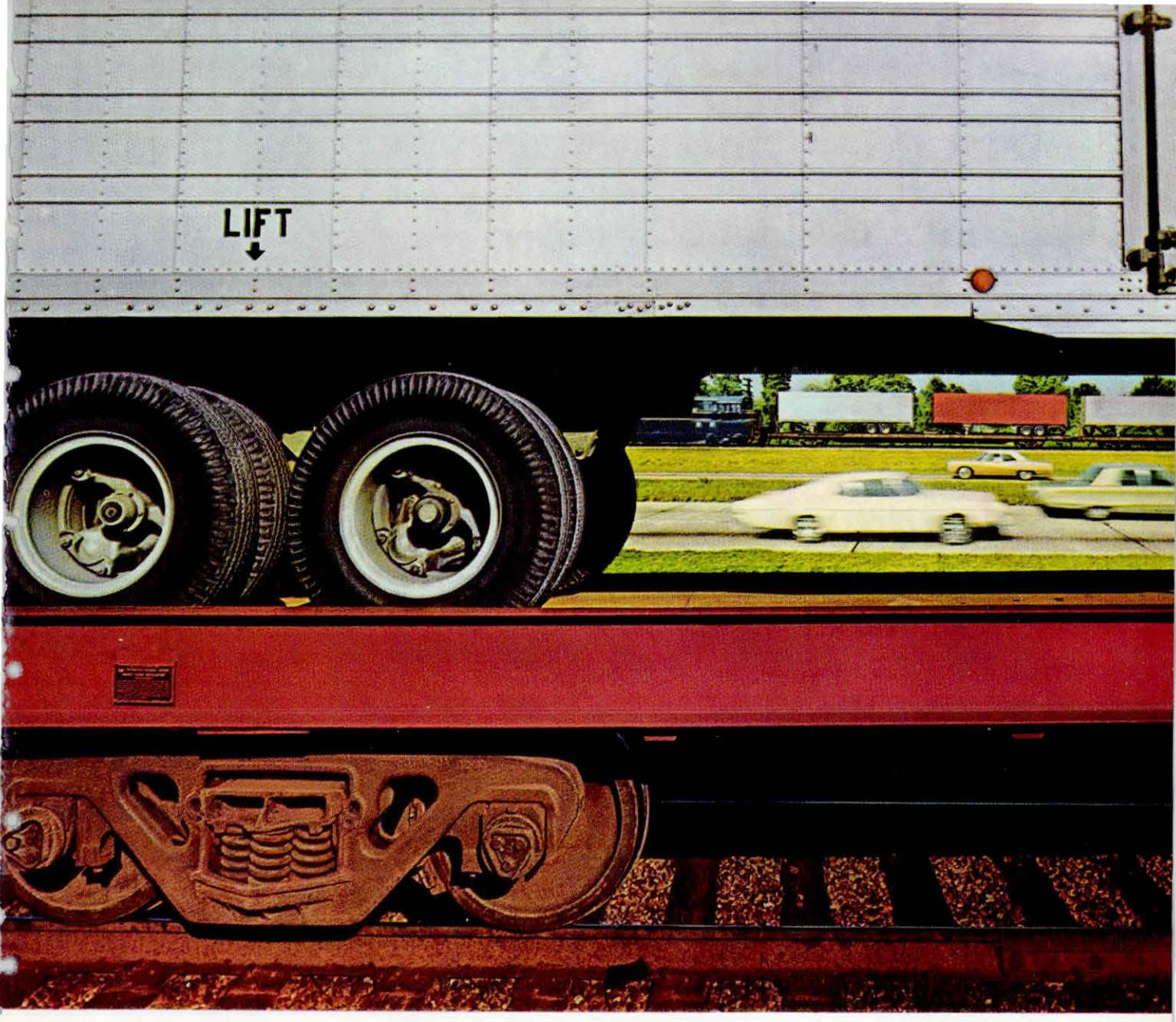
—Contests with cash prizes of up to $1,000 for ticket and travel agents.

—Expansion of promotional campaigns to European travel agents.

There are also hopes that labor and the states along the Cal Zephyr route may lend a hand. As Martin put it to the American Association of Passenger Traffic Officers, "We have approached the labor organizations for help in reducing high labor costs, but, so far at least, their response has been discouraging. . . . The state of Colorado has said that it 'will undertake . . . to relieve . . . the advertising load' of the train and 'to discover what, if any, tax relief may be granted.' We are not sure what this means, but perhaps some states that have been claiming passenger train service is essential should be given an opportunity to demonstrate the depth of their interest."

Martin's conclusion: "Today, we are very close to the moment of truth about the future of passenger-train service. It will be a most important fact-finding effort."

Another AAPTO speaker—Director Robert A. Nelson of DOT's Office of High Speed Ground Transportation—was unable to say when the long-delayed Northeast Corridor trains will start running, but he was not discouraged: "It is not easy to turn around an industry which has clearly not been favored in the past by Federal government policy and which consequently has had a low-level of activity for nearly two decades, and make it immediately productive. We have only begun the job. The research and development which we have started in high-speed ground transportation, we hope, is going to greatly increase the momentum."



There's more room on the road for the kind of driving you like...

When highway trailers ride piggyback– the modern rail way

A train of 100 flat cars carries 200 highway trailers piggyback...and we're carrying about two million trailers a year.

Piggybacking and its new cousin, containerization, unclog highways... save you money when you buy the things you like for the kind of living you like.

We're constantly improving. And that's why average rail freight charges are lower today than ten years ago.

In just one more generation there'll be 300 million Americans—50% more people requiring more production of everything... and more good transportation.

Dependence on railroads will grow and grow. And railroads will be ready.

ASSOCIATION OF

American Railroads

GROW, GROW BY THE RAIL WAY

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3 1/16 IN. SPRING TRVL.

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You see, we've expanded our Transportation Products Division. Each man in it knows steel. Better still, he knows the ins and outs of railroading.

And each man's a direct line to every division of National Steel: Weirton Steel, Great Lakes Steel, Midwest Steel, Stran-Steel, Hanna Furnace.

So he really knows how to get action—for special steels or special advice—with no waiting around, no red tape.

It's a simple, painless idea. We'll be expanding it more and more.

Because we like the progress you are making. And we like the idea of growing along with you.

NATIONAL STEEL

TRANSPORTATION PRODUCTS DIVISION

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two-way stretch!

This stylish green boxcar is one of the Pittsburgh & Lake Erie's "stretch cars." It's stretched one way when a normal 40-foot boxcar is sliced apart at the middle and a 10-foot extension inserted. And if you are a shipper, or receiver, this means lower shipping costs . . . keeping over-sized shipments in one car instead of two . . . and easier loading and unloading. The second "stretch" with these P&LE cars is in their use and rolling life. The boxcar's floor is laminated edge-grain Alger-Deck made with Cellon® treated long leaf pine strips. Stronger per pound than steel, Alger-Deck is unquestionably the finest railcar flooring available today. Koppers Company's Cellon® surpasses any other preservative process now known for depth of penetration to insure the prevention of rot, decay or insect attack in wood. Food shippers know about Alger-Deck because it's non-toxic . . . requires no special containers for products. In fact, Alger-Deck is so superior in so many ways, we'd just love to tell you more. Pick up the phone and ask for "Bull" Dozier in Century, Florida, AC 904 256-3462. He'll accept the charges, tell you all about Alger-Deck, and even send you a sample. Many of America's leading railroads have already gone this route!

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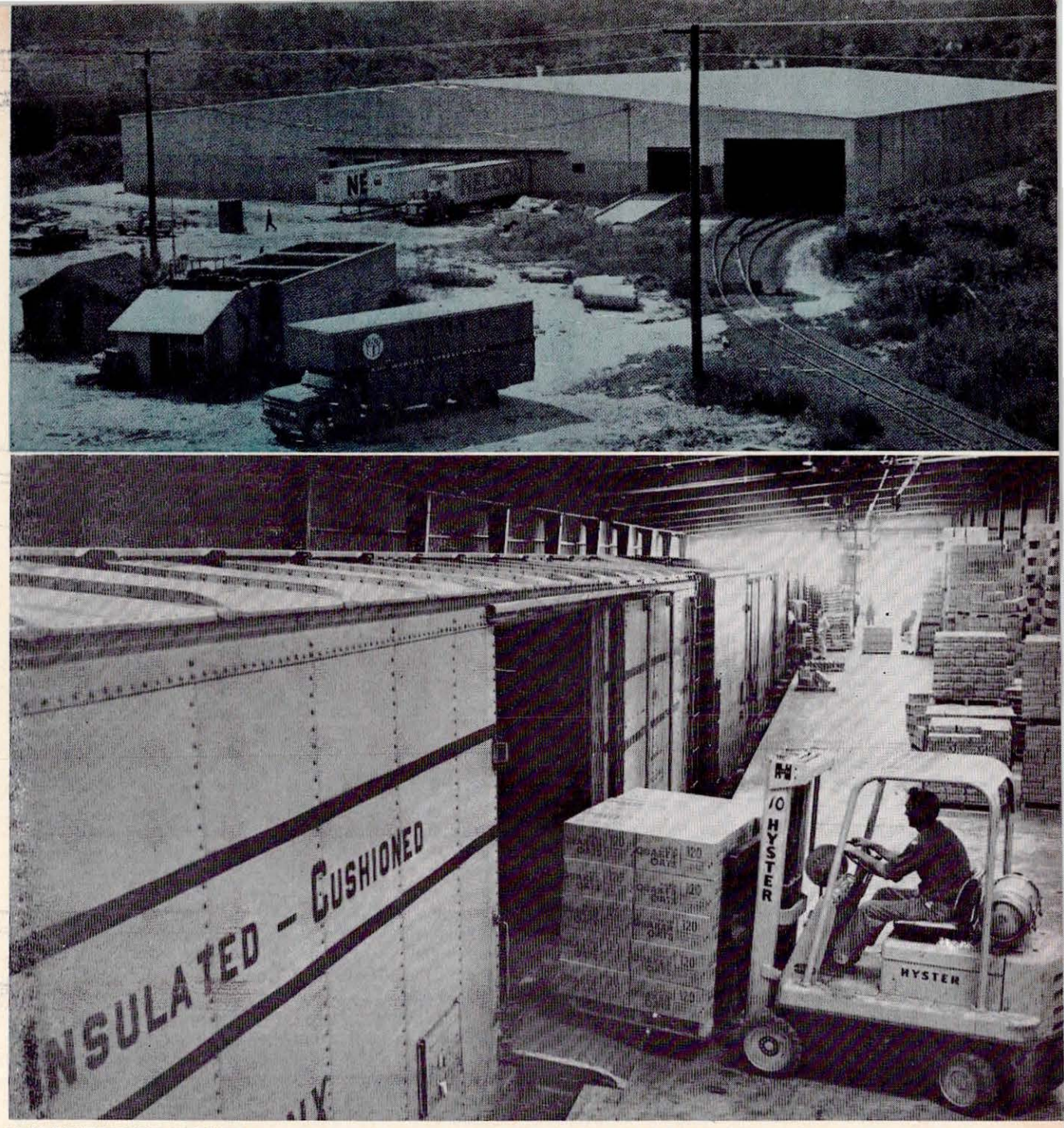


NEW WAREHOUSE FACILITY near Danbury, Conn., handles rail distribution of Quaker Oats products in New England.

New freight traffic rides the New Haven

The railroad is promoting the distribution warehouse concept to boost traffic revenues—and is doing well.

By **ED DONLON,** Managing Editor

Among the commuters who use the New Haven to get to and from New York City every day are some articulate and vociferous grumblers who pay close attention to clean cars and on-time performance.

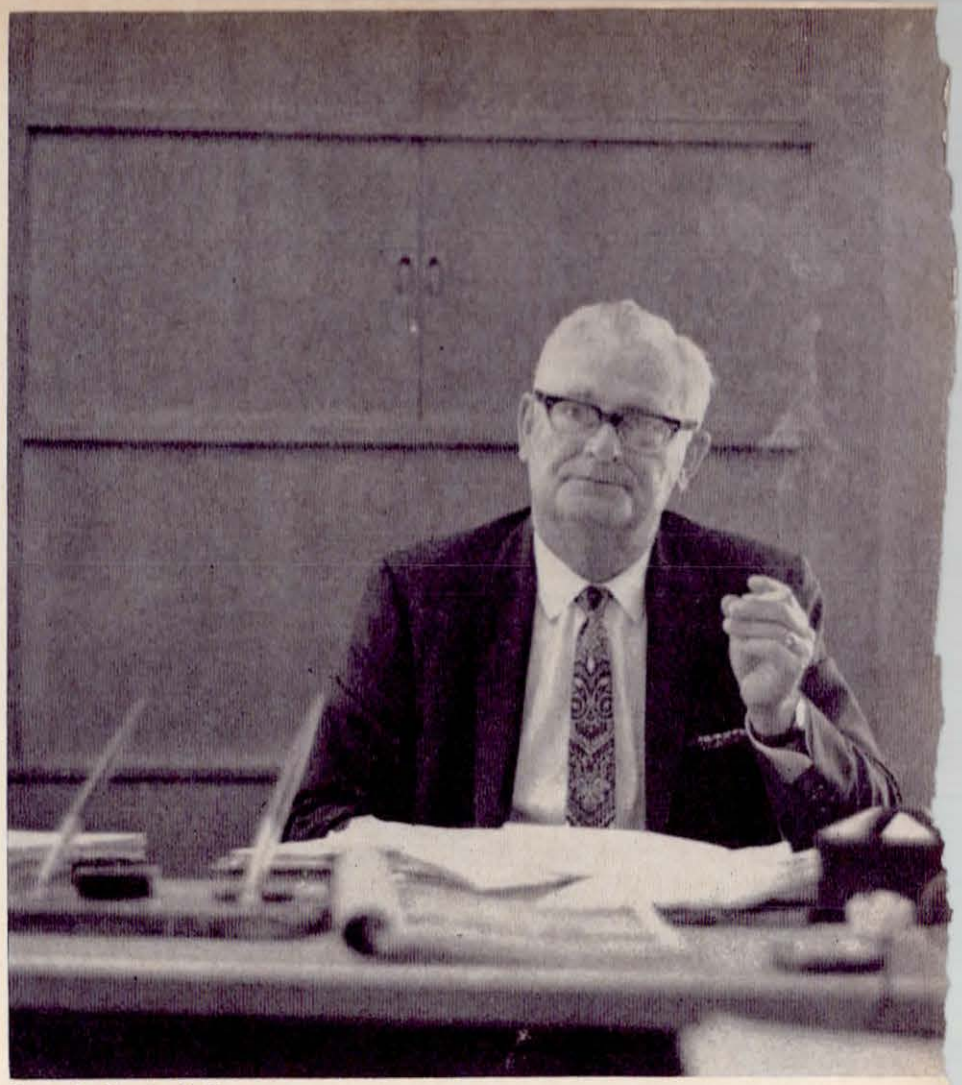
The New Haven also has another group of users concerned with clean cars and on-time performance. But most of them are smilers. They're the traffic managers of a number of large food products firms who ship via the New Haven and who take a different view of the railroad.

• **Not all bad.** One of the New Haven's big troubles—the deficit-ridden

passenger operation—has invariably stolen the headlines for years. And, unfortunately, NH passenger people have had to learn to take it on the chin. But all of this time, working quietly behind the scenes, New Haven people have been tirelessly striving to make the freight side of the railroad a going thing. And the efforts of men like Senior Vice President Frederick J. Orner, working under Trustees Richard J. Smith and William J. Kirk, are beginning to show up in tangible form —as extra carloads of traffic.

The program that has excited New Haven freight traffic people is the road's new efforts in working with major food companies in setting up regional distribution warehouses on the New Haven's lines.

In recent months the road has seen Corn Products Co. establish a warehouse distribution system near Bridgeport, Conn., Quaker Oats take space for its setup near Danbury, and Hunt's Foods begin operations out of East Hartford. While it's too early yet to tell just what the traffic yield will be on an annual basis, estimates are that the three newcomers will contribute substantially to NH traffic revenues.



Photos by Maurice H. Mates

● **Lose some, gain some.** The New Haven's new good fortune with merchandise traffic comes at a time when the road is still reeling from the loss of its major revenue producer—coal traffic. Last year, when the government lifted the barrier on foreign residual fuel oils, utility after utility on the New Haven switched from coal to the cheaper oil. Almost overnight, the New Haven was down to serving about one coal-fired, water-side utility. The loss of the coal traffic will mean a drop of $3.5 million in badly-needed revenues for the line.

To off-set as much as possible this loss of income, NH industrial development and freight people have been roaming the country in search of business to put on NH trains. They approached some of the large food producers with the idea of regional warehouse distribution facilities in Southern New England.

"We explained that the lower part of New England is ideal for warehousing," said Charles E. Ragland, New Haven's vice president of freight traffic. "In Connecticut, for example, we're sitting right on top of metropolitan New York. A shipper has the advantages of getting full New England distribution on transit rates—and getting into the New York market as well. So you're really hitting two distribution objectives with one facility, and you can serve both areas at a competitive distribution cost."

In promoting its distribution warehouse program the railroad has had to face up to strong competition from the trucks. The road's territory is criss-crossed with super highways—and, indeed, one of them, the Connecticut Turnpike, parallels the road's main line across the state and has been responsible for serious diversions of traffic from the rails to trucks.

The availability of expressways has encouraged a number of firms to setup distribution warehouses in New Jersey and Pennsylvania, and to truck their freight into New England. Now the New Haven believes it can offer something better.

In 1966 the Connecticut General Assembly passed legislation exempting in transit goods from state taxes, something the railroad and warehousemen had been seeking for years. The effect of this legislation has been to enable the NH to devise a plan to encourage the rail shipment of goods into and out of the state.

In the case of the food producers, single commodity car loads move into Connecticut from production facilities around the nation. At the distribution warehouse, commodities are mixed to fill the orders coming in from wholesale grocery firms or chain stores, and the orders are shipped out all over New England in full car loads.

The food companies operating out of the warehouses on the New Haven lines lease the space, and the local warehouseman acts as agent for the companies involved, handling all orders.

The road permits the use of two cars on one minimum weight, such as 60,000 or 80,000 pounds. The shipment thus loaded in the two cars avoids delays, such as those encountered when two orders are in one car and the car must be stopped for unloading of one order. The advantage of using two cars for shipments is that it gives the shipper flexibility and eliminates the necessity of shipping some orders by rail, some by truck. By using rail inbound and outbound from the warehouse, the shipper benefits from the lower transit rates and avoids high local truck rates.

"Another big advantage in having warehouses east of the Hudson River is that we can reach any point in Southern New England overnight, and we can reach all of New Engand by the second day," Ragland points out.

He adds that shippers distributing to New England from New Jersey points would be required to use more than one railroad and sometimes as many as three. The New Haven says it can deliver the goods 48 hours faster than such operations.

"A shipper has the advantages of getting full New England distribution on transit rates—and getting into the New York market as well."

C. E. Ragland, NH vice president—freight traffic, in interview with Railway Age Managing Editor Ed Donlon

● **Success at Bethel.** Ragland singles out the distribution warehouse operation at Bethel, Conn., just outside of Danbury, as an example of being successful by really trying.

A former tannery built back in the 1860s, the Shepard facility is quickly spreading out in new buildings over a 40-acre site, now offers some 320,000 square feet of storage space.

In late July, before construction on an 87,000 square-foot warehouse was even completed, Quaker Oats Co. began moving in a broad range of its products, from breakfast cereals to dog foods, from mid-western origins. The commodities moved under high incentive rates to the warehouse, and moved out on mixed carloads in transit.

"With the cooperation of the New Haven we can give 72-hour delivery to any point on the line," says Shepard's executive vice president, William Goodman. "And because we load and unload rapidly we generate our own car supply."

Goodman is "delighted" with the New Haven's service and has a strong loyalty to the road. He believes the NH to be extremely important to the economy of the region—and does not handle customers who do not use rail.

Shepard's is planning to expand as it gets more customers to use its facilities for regional distribution. The company has already spent $47,000 for new rail sidings, with the Quaker Oats facility being served by two tracks that run into the building.

At Bridgeport, new facilities that will give Corn Products Co. some 150,000 square feet of warehouse space will soon be built. At East Hartford, Hunt's Foods uses about 25% of the 200,000-square-foot East Hartford Warehouse, Inc.

The warehouse distribution concept, as Ragland sees it, gives the shipper the advantage of a low rail rate from production point to the consumer's shelf. Because buyers can order mixed carloads of products, they can avoid getting overstocked on a particular item and keeping expensive inventories. And the heavy car loads at the low rate offer a distinct advantage over truck carriage.

● **Spreading the plan.** New Haven's freight traffic men are now doing some deep thinking about interesting shippers' cooperatives in the warehouse distribution plan.

Says NH's George N. Sabin, assistant vice president-rates: "Conceivably, a small group of manufacturers could form a cooperative and the cooperative would sell them transportation. They would all ship their products to one warehouse, and the warehouseman, acting as their agent, would fill orders from the products of the various manufacturers for movement out in one car. The individual firms would be billed for the transportation—at a low cost because their goods would be moving in carload lots."

The warehouse distribution concept is ideally suited for exploitation on the western end of the New Haven territory. The Maybrook and Harlem River lines, for example, permit potential development into the New York area.

What will merger do to the program? When the New Haven becomes part of Penn Central the availability of the Boston & Albany line would provide more opportunities to expand the service, NH men say. Also, inbound service would probably improve.

"We're very optimistic about the warehouse program," adds Ed Barrett, NH general manager of industrial development. "I think Southern New England, particularly, has a great future in distribution. There are 10 million people in the New York area alone, and 11 million in New England. And this area, historically, has been a consuming area." The road has a lop-sided ratio of 3 to 1 inbound cars.

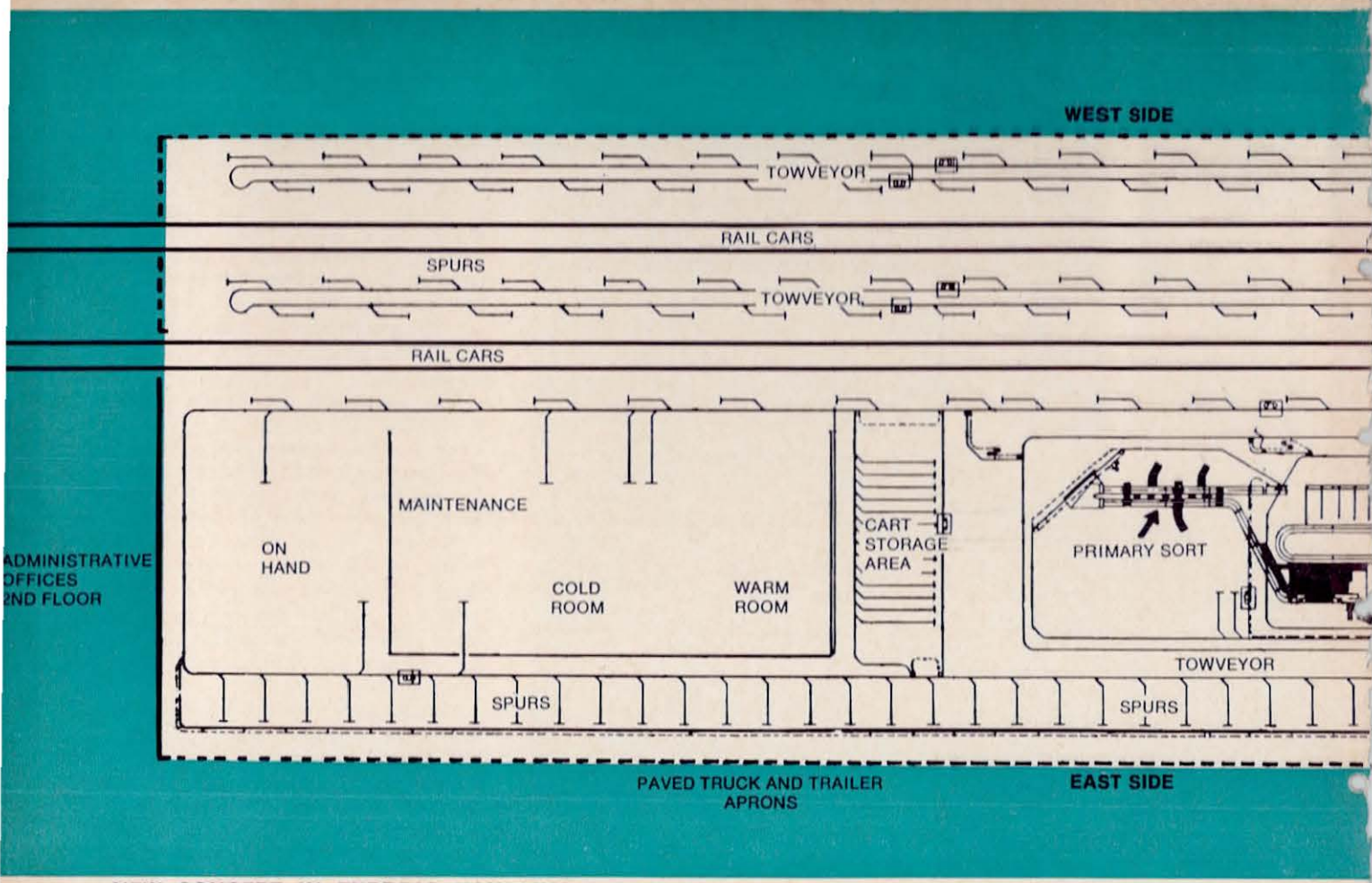
● **Some concrete action.** The New Haven has become expert at fending off traffic raids by the truckers. And it's not above going after some traffic that had become the almost exclusive property of the truck lines.

The Hudson Valley cement mills are just over the hill from the New Haven territory, and in six hours time cement trucks can deliver to just about any point on the New Haven. The Railroad had been getting its cement from Pennsylvania, and with three to five-day delivery time was just about out of the running.

So the NH set-up a car hold operation at Cedar Hill Yard outside of New Haven where cement cars can be stored for several days under tariff provisions at no charge to the shipper. As cars of cement are sold to customers, they are moved out of the yard. The operation has slashed transit time to customers and is giving the truckers a run for the money.

"This program," says Art Miller, the NH assistant vice president, freight sales and service, "saved our cement business."

Ragland is hopeful that the road's freight picture will continue to improve, at the same time admitting that it isn't easy to replace the more than $3 million in revenues lost when coal went out. "But we're holding our own," he observes. ■



NEW CONCEPT IN EXPRESS HANDLING: Basic constructon of new facility and various phases of its operation are indi-

How CN improved its express

An electronically controlled facility, near Toronto, can handle five million pounds of express shipments a day. Costing about $10 million, it provides faster and more efficient service.

By E. L. ABBOTT
Associate Signaling Editor

Changing patterns of trucking, containerization, water transport and air express are challenging traditional rail methods of handling express. So, when Canadian National found that its express facility in Toronto was becoming obsolete and would not long be able to handle the increasing load, a team of experts was assigned to study future requirements. CN's experts visited a number of North American installations —and they then designed a system incorporating the best features of existing systems, plus many new design features. Better, more efficient express service is the result.

It was decided that instead of attempting to revamp existing outdated equipment, CN should build an entirely new facility to cope with growth requirements.

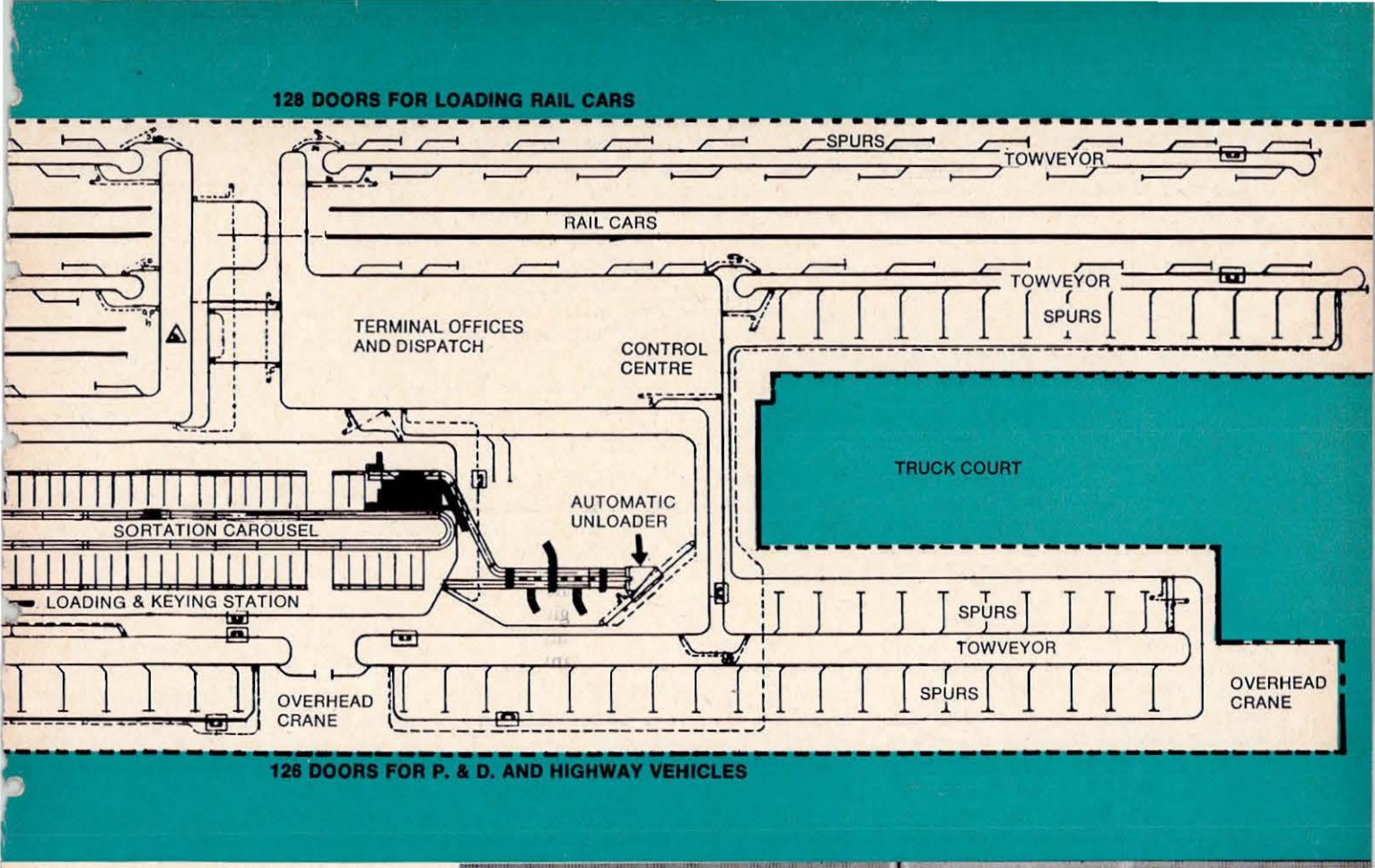
The new express terminal, near the CN yard and some 16 miles from the old terminal, cost about $10 million. The present express complex is capable of handling five million pounds in shipments a day.

● **Unique training program.** With the new complex some distance away—and with the introduction of entirely new, technologically advanced equipment and handling procedures—the problem of training the 1,500 employees in their new duties was solved in a unique way.

A working scale model of the new facility was constructed by Steven-Waring at a cost of about $13,000. Pieces of new equipment were brought in. All employees whose jobs would be done differently were trained in the performance of their duties, taught how their new jobs would be carried out and how each employee's efforts would affect the over-all operation.

The changeover from the outmoded facility to the automated, electronically-controlled complex has resulted in faster, more efficient service. This new Toronto facility acts as the core for Ontario express shipments. It has improved express handling and radiated improvements north, east, and west. At the present time, more than three million pounds of merchandise are being handled daily. The terminal sorts up to 9,000 packages an hour.

The terminal operates continuously except for one day from 4 p.m. Saturday to 3:30 p.m. Sunday. It has two main functions:



cated in above diagram.

service

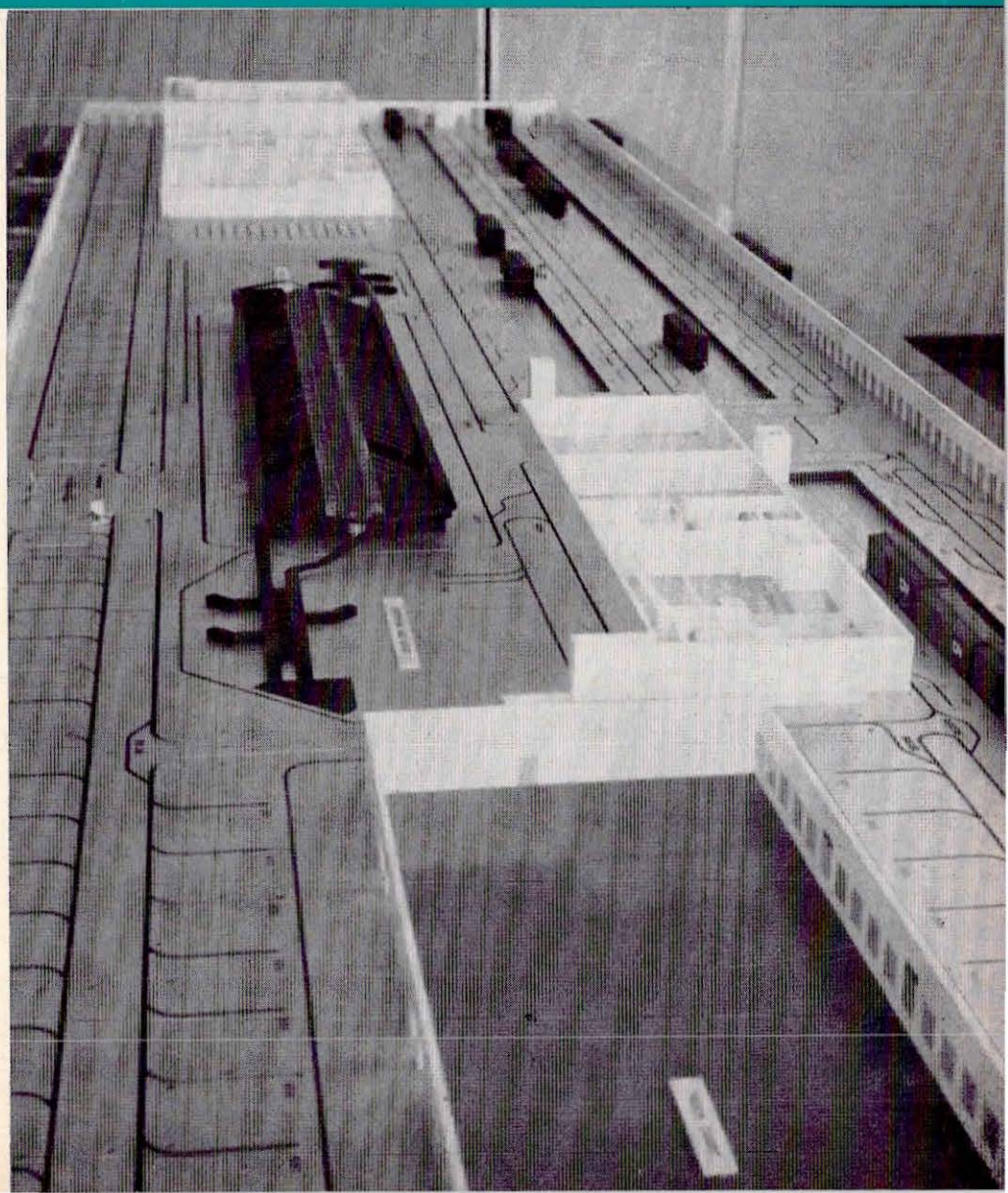
—To put shipments collected in Toronto onto trains and trucks which express them to other communities.

—To accept shipments from other communities and put them into local vehicles for delivery in Toronto.

From midnight to noon, the terminal operates as an inbound house—express from trucks and trains with goods for delivery in the Toronto area. From noon to midnight, the facility is outbound—sorting and loading express from the Toronto area into freight cars, trucks and containers.

● **Scheduled express trains.** Four express trains, traveling on speeded-up schedules from terminal to terminal, are made up in the shed. Maintenance crews service these trains from a specially constructed service pit under the loading platforms while the cars are being loaded and unloaded. This eliminates yard servicing and switching.

Two of the four trains are sent to



TRAINING MODEL
Employee training, using a working scale model of new facility, began some five months before opening of new facility.

Montreal and the Maritimes. One train goes to northern Ontario, one to western Canada. While these trains are being loaded, pickup and delivery trucks are returning to the terminal with shipments for other cities and the parcels are processed through the terminal to waiting trains and highway vehicles.

Trains arriving from out-of-town represent the second half of the express operation as express is unloaded from trains and incoming highway units, processed through the system, and sorted into local delivery routes.

With the new express train concept, containers and cars are loaded for direct shipment to Toronto with exclusive Toronto-bound express shipments. Cars loaded in the Atlantic provinces for Toronto via Montreal are re-connected in Montreal for a Toronto-bound express train, arrive in Toronto and go directly into the express complex.

As outlined in the schedule, at 10 p.m. the first of the express trains rolls out for Montreal. The second one, for northern Ontario, leaves at 10:45 p.m. and the last train leaves at 1 a.m.

The first of the four daily trains arrives at the facility at 5:05 a.m. from Montreal. The last of the four daily trains arrives at 8:15 a.m.

● **Customer service.** To speed service, Toronto has been divided into seven express zones served by 300 pickup and delivery trucks, 75 trailers and 33 tractors.

Each zone has a zone controller who will dispatch trucks directly to points where express is waiting for pickup. Routes are maintained for regular shippers. But, whether a customer is on the route or not, a phone call to the terminal is relayed to a truck working in the city and the pickup is promptly made.

Most pickup and delivery units are equipped with two way radios. Drivers in other units keep in touch with their zone controller by telephone.

A trailer control desk keeps track of highway and piggyback trailers used in the express operation. Shipments are collected and delivered by truck not only to Toronto, but also to communities west as far as Windsor, east as far as Belleville and north as far as Orillia, Ont.

● **The express complex.** The concept of the express facility is simple. But the operational system is complex. The building housing the electronically controlled equipment is 1,536 feet long, 344 feet wide, has 205 truck doors and 128 rail car doors. Six tracks within the shed will hold 82 cars.

The towveyor system was built by Jervis B. Webb Co., Detroit, Mich. and Hamilton, Ont. It is 21,000 feet long and is divided into two main loops serving 10 zones within the shed. Some 2,000 carts can be utilized on the towveyor at a speed of 100 feet a minute. Followers (the hardware on the towveyor chain that engages the cart) are 10 feet apart. Carts can be loaded or unloaded at any point in the shed, coded through a unique three-digit coding system on the cart, automatically directed by the shortest route to any one of the 212 spurs within the system.

Each spur cuts off the main towveyor into a loading dock, storage track, or into one of three special rooms—warm (for express that must be kept at above normal temperatures); cold (for express requiring refrigeration), and value (where valuable shipments are kept until dispatched)—or into the repair shop.

According to CN, the towveyor system has been designed to accomplish these jobs:

—To move out-of-town express to Metro pickup and delivery trucks.

—To move Metro's express to waiting express trains and highway units.

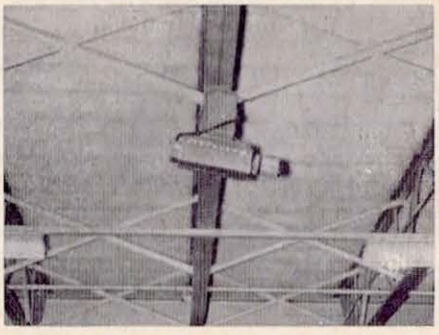
—To feed CN's sortation system with small packages from trains, highway units and local delivery runs.

● **Parcels are sorted.** The sortation carousel, also built by Jervis Webb Co., is 736 feet long with 184 trays serving 62 chutes at a speed of 240 feet per minute.

As parcels are unloaded from cars and trucks by the truck drivers and warehousemen, they are loaded on towveyor carts and routed to the sortation carousel. As they approach, they pass through an automatic unloading device and the carts are tipped, permitting packages to be dumped on the apron of the sorter. Empty carts are coded 009 and directed automatically through the system to a point where an empty is needed or to a storage track.

Conveyors in the apron where the packages have been dumped will carry them past markers who code them, by number, to go to specified chutes around the carousel. Each of the 62 chutes is assigned to a specific destination. Each marker must be completely familiar with more than 2,000 destinations in the

IT'S SPEEDY AND DAMAGE PROOF



CLOSED-CIRCUIT TV
Throughout CN's express complex closed-circuit television cameras observe all the action as carts are interchanged between all the zones.

FAST WORK
Traveling at 100 feet per minute, with carts that can be spaced as close as 10 feet apart, the facility's towveyer system is controlled electronically.

express system, to classify the parcels into the proper chute.

After packages have been classified they are placed on the trays of the carousel. As the trays pass a "keying" station the keyer, using a ten-digit keyboard like that on an adding machine, inserts the chute code appearing on the package into the computer at a rate of one parcel per second. This must be done at the precise moment the tray is centered between two lights at the station. Electronic control again takes over, and as the tray approaches the chute a trip mechanism is activated and the contents of the tray slide easily into the proper chute.

● **To avoid damage.** A photo circuit near the top of each chute will be interrupted when the chute is full or packages are lodged near the top of the chute. An alarm light will be illuminated and packages coded for that particular chute will not be dumped from the trays. They will continue to circle the carousel until the chute is cleared or, as an alternate, until an adjacent chute is designated to receive the overflow. Subsequent shipments would then be dumped into the alternate chute.

When a truck or car is ready for loading to a specified destination, packages from the corresponding chute are loaded on carts, routed through the towveyor system to a spur and loaded for delivery at their destination.

When there are five or more pieces, packages weighing 75 pounds or more, or pieces four-feet-by-six-feet or larger, they will be loaded on carts at the dock and coded to go directly to the spur from which the shipment will be loaded into train or truck, bypassing the carousel and sortation procedure.

Truck drivers are required to load, unload and check their trucks.

● **Design features.** Spurs at the loading docks will hold up to five carts. As each cart is removed from the end of the spur for handling, there is room for another cart to enter. The removed cart is returned to the towveyor as an empty coded 009, or as a load coded for its destination within the shed.

Should more than five carts be coded to the same spur, only five will enter. The rest will continue on the towveyor until there is space available in that spur.

However, to alert supervisory personnel when this occurs, a yellow light over the spur is automatically lighted when a spur is full. Adjacent spurs can then be designated to receive carts coded for the full spur.

Safety has been taken into consideration, as well as the proper functioning of the system. Provisions have been included to observe and even suspend operations of all or part of the system if necessary. If the towveyor is shut down for any reason, only the person responsible for the shutdown can reactivate the equipment.

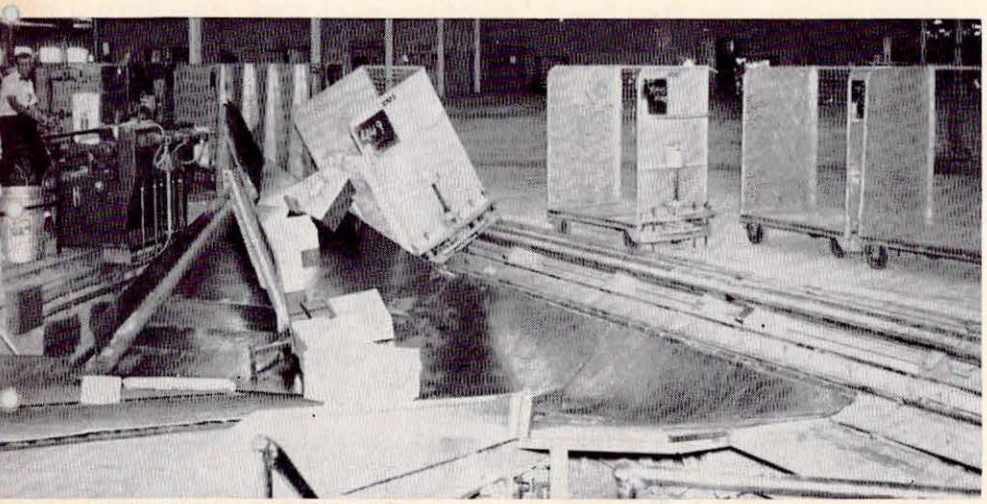
● **Closed-circuit television.** CCTV cameras are located at strategic points within the facility. The cameras can be controlled throughout a 360-degree horizontal arc. They will tilt and are equipped with zoom lenses for close-up inspection of conditions. An employee has complete remote control of the Motorola cameras and can observe the operation of the complex on six TV monitors. A control panel within easy reach will allow him to override automatic system controls to prevent accidents and jams and to insure the safety of personnel working within the terminal.

● **In the new facility.** Electric forklift trucks have replaced the gasoline-powered units previously used. Assistant supervisors use bicycles. Supervisors have small powered vehicles to go from point to point within the shed. Magnesium dock plates have replaced the heavy steel plates previously used. Carts, previously pushed by hand, have been replaced by the towveyor. Modern lighting equipment is used at the docks and throughout the facility to make employees' jobs more productive and less laborious.

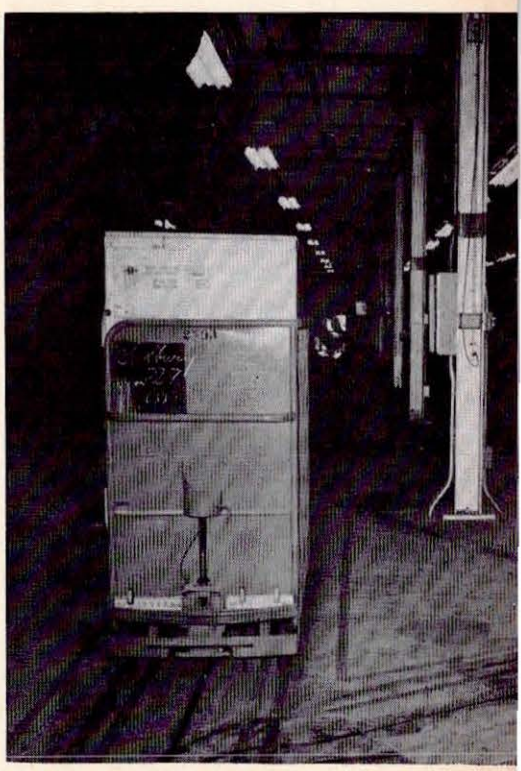
● **Developing an effective system.** To gain the most from the express facility three systems of freight handling—express, less-than-carload freight and piggyback—had to be taken apart and put together in a more effective unified system.

It was also necessary to integrate distribution patterns and the physical plant. Now, assembly line efficiency coordinates the system-wide scheme.

Containers are picked up and delivered to ocean-going vessels, pickup and delivery service is provided for air express, and CN Express and LCL are funneled through the new facility to be delivered by truck and rail on speeded up schedules, reflecting and justifying CN's foresight and investment. ■



AUTOMATIC UNLOADING
The sortation carousel is fed from either end, and carts pass through an automatic unloader which tips them, allowing packages to slide down an apron onto conveyor belts. As parcels travel along the conveyor, an employee codes them with a crayon to be keyed to one of the 62 chutes around the carousel.



JUST BEFORE SHIPPING
Carts loaded from the chutes of the sortation carousel are coded and placed on the towveyor system to go to a designated spur at a loading dock, where the parcels will be loaded in trucks or trains to be shipped to their destination.

The unit train of the future

"Now and then we look into the engineer's dream world a bit. What would result if we really set about the task of designing a true unit-train car and not just a rail car? We might achieve some very surprising results. A true unit train might not couple with present-day equipment. It might have electric instead of air train lines. It certainly would have more responsive brake control, and perhaps it would have automatic opening and closing of hopper gates or container locks. In fact, we might even be able to move entirely away from that long-standing practice of mounting a car body to a truck. The whole system could be integrated so that you couldn't tell where the car body stopped and the truck suspension system began."

—W. E. Kemp, manager-product planning, ACF.

For purchasing men:

A sneak preview of tomorrow's equipment

By ROBERT D. BARTLEY
Associate Mechanical Editor

"We compared the cost of moving 5,000 revenue tons of goods from coast to coast by rail, by air, and by highway in 60 hours. Comparing only fuel, crew and ownership costs, we found the ratio of cost by rail, truck and air to be 1:5:19."

This heartening revelation, made by Donald R. Meier, General Electric's manager of locomotive business and product planning, might seem to an outsider to indicate that the railroad industry and its suppliers can go out and hang up the "gone fishing" signs.

The "gone fishing" signs are hung up, all right, so those attending this year's annual meeting of the Association of American Railroads' newly named Purchases and Materials Management Division learned. But, what the railroads and their suppliers are fishing for are better ideas, better techniques and better equipment with which to exploit more fully the steel-wheel-on-steel-rail's inherent advantages.

Purchasing agents and materials managers attending the meeting, held in St. Louis Sept. 18-20, were given a sneak preview of what might be expected in the way of equipment in the next ten years. Sources of these forecasts were four of the nation's major railroad equipment suppliers—ACF Industries; Electro-Motive Division of General Motors; General Electric; and Pullman-Standard.

● **Bigger, simpler power package.** Both GE's Meier, and EMD's Assistant Chief Engineer David Lyon, told the P&MM members the locomotives of the 1970's can be expected to appear on the rails with (1) increased power, (2) improved reliability and (3) simplified maintenance characteristics.

Lyon said, "The one factor in railroad operations which is having the most pronounced effect on locomotive design is the trend to higher speed operation of freight trains."

Not only does this trend increase the requirements for locomotive power, he added, but it also has a pronounced effect on the design requirements for the running gear—the trucks, wheels, axles, brake rigging and bearings. Furthermore, it is creating demands for revised body designs to provide greater protection and comfort for the operating crew under high speed conditions.

● **Efficient, versatile cars.** Meanwhile, as was pointed out by the two carbuilder representatives—Norman E. Bateson, Pullman-Standard's vice president-engineering and research, and W. E. Kemp, ACF's manager-product planning—the next ten years will see a trend toward the development of cars with greater efficiency, greater ultilization factors and greater versatility.

Kemp predicted that carbuilder activity would be concentrated on the development of (1) special cars, (2) cars with capacities to match the densities of the loads which will be carried, (3) improved vehicles for transporting bulk commodities, (4) intermodal cars, and (5) cars for operation in unit train service.

This trend toward development of special cars doesn't mean that freight car standardization is a thing of the past, he added. The term "special car," he explained, means "especially versatile cars—cars such as the 89-ft all-purpose flat car which can perform many functions."

The car of the future must blend with loading and unloading facilities if railroads are to expect greater efficiency from their car fleets, Bateson said. If the general theme of the future is one of saving time, he continued, then the best place to look for time-savers is right in the customer's yards. About 40% of an average car's service life is spent standing in some customer's yard.

Arrangements whereby rail cars can be "matched to loading and unloading facilities" will certainly be one of time's greatest salvations, Bateson said.

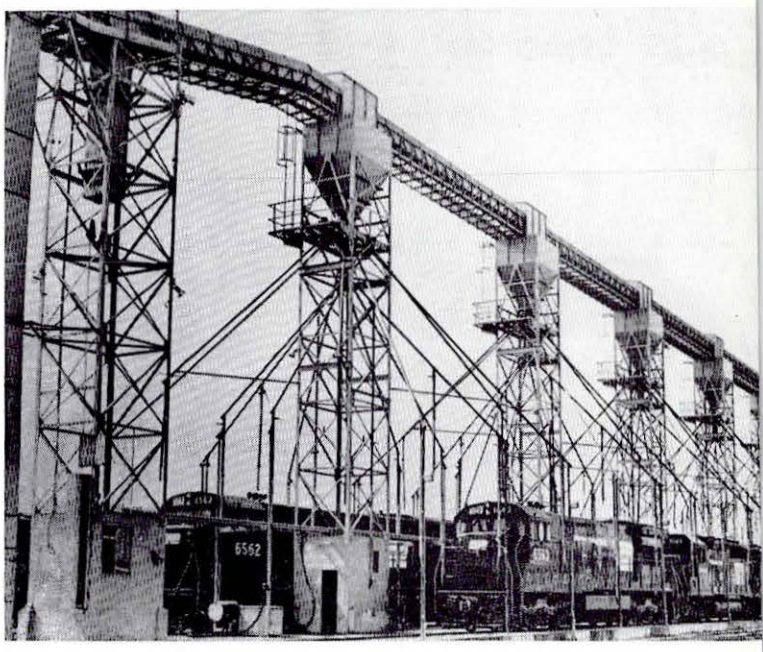
If the immobility time of the freight car fleet can be reduced, and the mobility speed can be increased without sacrificing train payload, then the railroads, aided by the equipment suppliers' ideas for the future, can expect their service to become more and more attractive to more and more customers.

● **Achieving higher speeds.** Locomotive horsepower will help determine the speed of trains in the future. To double speed, however, the amount of horsepower available must be quadrupled, EMD's Lyon stated. As an example, the horsepower required to move a 5,000-ton train at 35 mph on a level track is 3,600 hp, or 0.7 hp per ton. Increase the speed demand to 70 mph

(Continued on page 29)

CLASS YARD is supported by 9-track receiving and departure yards, Flexi-Van, Flexi-Flo and new auto facilities.

PC dedicates $29-million Perlman Yard



SAND CONVEYORS assure speed in servicing up to ten units simultaneously; new maintenance shop is being built.

Since its formation early this year, Penn Central has consolidated a number of yards; last week it dedicated a brand new one. The $29-million classification facility at Selkirk, N.Y., near Albany, serves the entire northeastern quadrant of the new system.

Named after Alfred E. Perlman, to honor PC's first president (who was also chief executive of the New York Central during its final 14 years), the 8,300-car yard contains 70 classification tracks which could be increased to 90 if it proves necessary.

At the dedication, PC Chairman Stuart T. Saunders pointed out that "this facility is symbolic of the new Penn Central and its determination to achieve ever higher standards of performance. Our paramount objective is to make Penn Central service not only competitive, but exceptional in the entire transportation industry."

Saunders lauded Perlman's accomplishments in revitalizing the NYC and his contributions to growth of PC. And although the yard was planned by NYC, Saunders stressed that it fits perfectly into the operating plan for the new system.

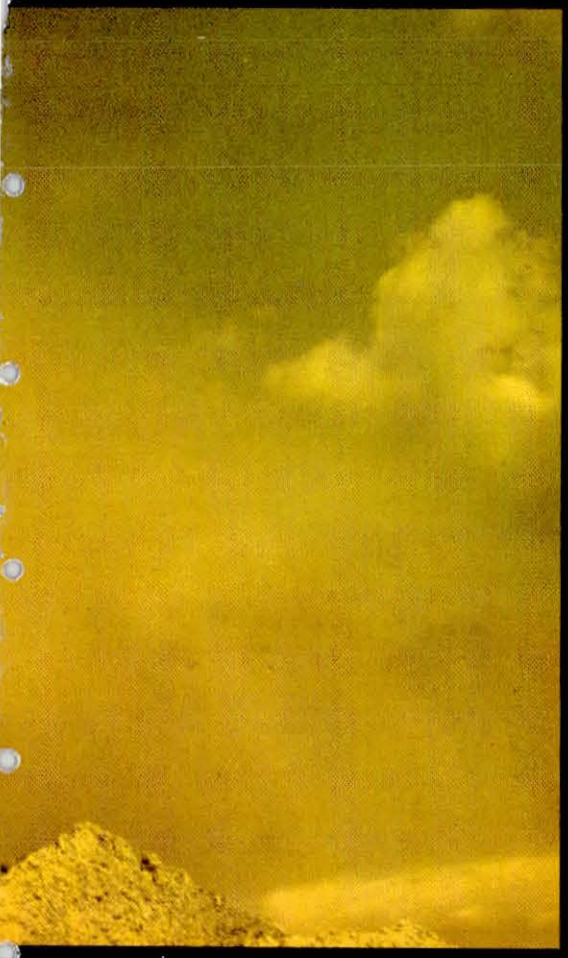
● **More to come.** Perlman Yard is the sixth such electronic-controlled yard on PC; several more are projected. It has eliminated eight obsolete yards, handling eastbound and westbound traffic between inland America and New England, the Atlantic seaboard and foreign nations. A digital computer, rather than the analog type used in other yards, is programmed to control car speeds, transmit humping speeds to the pusher engine moving cars up the hump, maintain an inventory of each yard track's cars, and prepare data on trains arriving for classification.

Construction of the yard took two years and was complicated by the need for continuing some of the operations of the former Selkirk Yard at the site. Grading involved almost 2½ million cubic yards of material; most of the 220 miles of track was laid with 1,440-foot welded rail. All-welded, prefabricated switches were a further aid to speedy construction. A four-track car shop and new locomotive facilities are part of the project. ■

RPI
RAILWAY PROGRESS INSTITUTE

What's the best shipping formula for P_2O_5?

PS-2SD.



The chemistry of economical phosphate shipping was an unsolved equation in 1964. Increased demand created a transportation challenge for the railroads, and Pullman-Standard's Industrial Marketing Department.

Together, through a study of shipper and receiver problems, a solution was reached.

Today, Pullman-Standard PS-2SD Covered Hopper Cars serve the phosphate industry. They have low profile design, specially placed roof hatches, and maximum cubic capacities to achieve full transportation economies.

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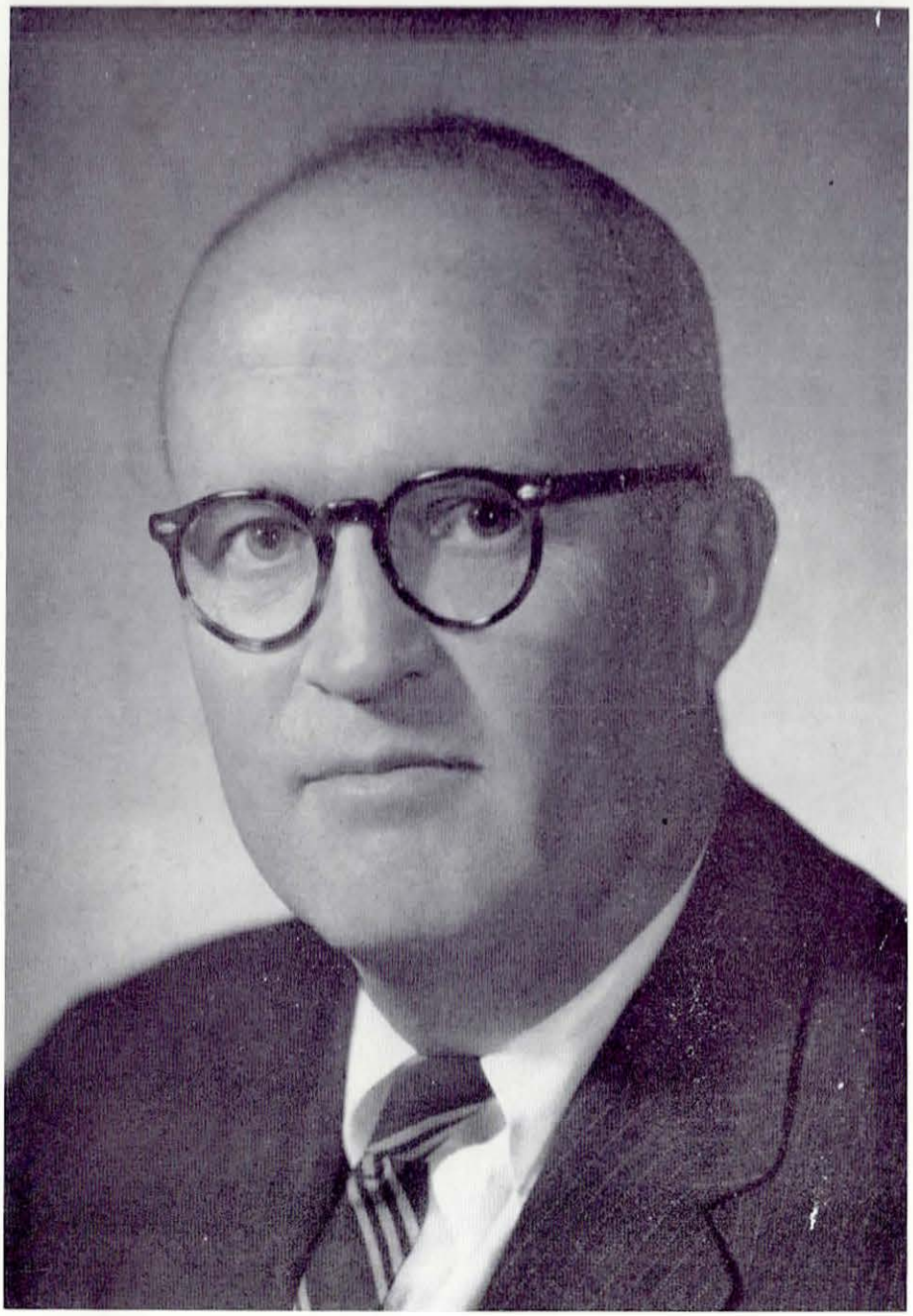


Photo: Fabian Bachrach

WILLIAM D. GORDON,
MANAGER OF TRANSPORTATION AND PURCHASING
Shenango Incorporated

"Railway Age is reliable, timely and interesting. For the industrial man it provides valuable current information about the railroads, available nowhere else. We find it unusually readable and extremely helpful.

"Personally, I have been a regular subscriber for 32 years and look forward to each new issue on Monday morning."

William D Gordon

TWO CHALLENGERS WILL COMPETE WITH THE DIESEL

(*Continued from page 24*)
with the same load and under the same conditions, and it is necessary to use 14,400 hp, or 2.8 hp per ton.

Before 1980 rolls around, locomotives with power ratings of over 1,000 hp per axle will be commonplace. Some of today's more powerful units have 750 hp per axle, so an increase of 250 hp is not beyond the scope of reason.

Some of the railroads handling large numbers of long distance "block" trains may see a need for an 8-axle unit with a total power rating of over 8,000 hp. On the basis of present technical knowledge, two diesel engines would be required in each unit to achieve the higher power levels, according to Lyon.

● **The gas turbine.** Are there any competitive prime movers which might edge out the diesel as the principal source of railroad power in the next ten years? A potential threat is the gas turbine, which even today can easily develop 8,000 hp. But, at least in the next decade, the gas turbine is going to be in much friendlier surroundings in the air transportation industry. Some experts feel, though, that a market will be opening in the trucking industry.

Although the technology now exists to allow production of gas turbines which can propel super-large aircraft like the C5A jet transport, Lockheed's $23-million L-500 and even planes which could carry upwards of 2,000 passengers, they still have one overwhelming shortcoming as far as the railroads are concerned. That is their notoriously poor fuel economy characteristic. EMD's Lyon told the P&MM members that his company, as well as others, is spending much time researching the gas turbine, but the chances of it making any inroads in the next decade are rather slim.

● **Electrification.** The other challenger to the diesel is the copper wire. On purely economic grounds, electrification of the railroads, or even just portions of their systems, is not justified, Lyon commented. Only if governmental or social forces should enter the picture would electrification have any chance to supplant the diesel engine as the prime mover of the railroad industry.

● **Built-in versatility.** If locomotives developed over the next ten years are going to improve train operating speeds, and conceivably widen the gaps in the 1:5:19 cost ratio, what are the cars of the future going to do to aid the railroads in their growth pattern? In addition to pointing out the broad range of activities in which the all-purpose flat car can engage (trailers, containers, autos on auto racks, as well as other payloads), Kemp cited ACF's Versa-Deck as an example of the versatility carbuilders would be seeking to build into the next 10 years' cars.

Pressure differential bulk carriers, also quite versatile, are likely to become more prominent, as are pressurized covered hoppers which can maintain a contamination-free atmosphere inside. The trend will be toward the development of cars which can carry products in less expensive bulk form. Kemp cited an ACF prototype covered hopper designed to carry potatoes in bulk form, rather than in sacks, as an example.

● **Interchanging with other modes.** Intermodal transportation of goods is expected to gain momentum in the next decade and the carbuilder representatives said that research efforts are now under way to develop cars which will be fully compatible with vehicles of the other travel modes. Piggyback and containerization have already made great strides in this direction. Kemp said that ACF is studying open top car designs which will allow easy, one-step transfer of unitized loads, such as lumber, to trucks.

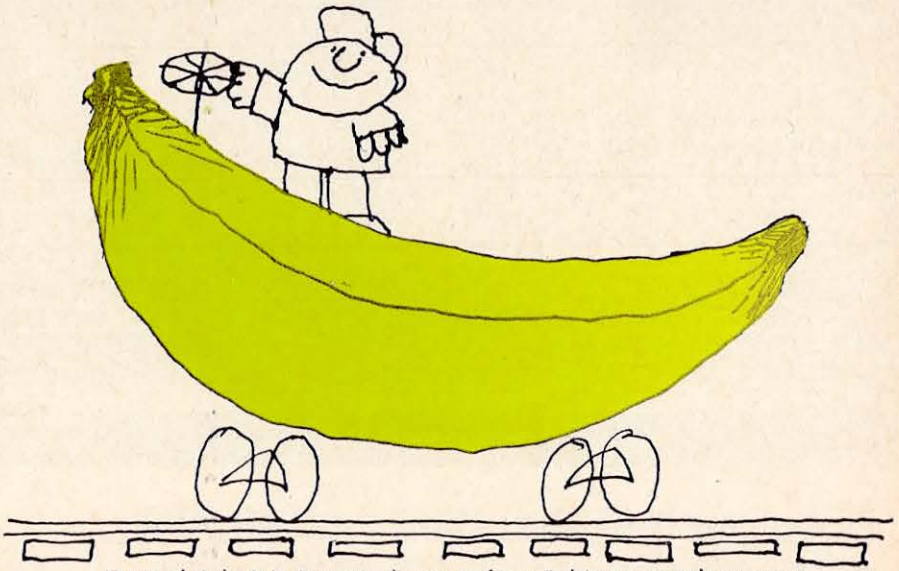
Unit trains, operating on both regular and intermittent schedules, have a great potential for increasing traffic and earnings for the railroads over the next ten years, and beyond. Cited by P-S's Bateson as an example of the type of car which might be operating in unit trains in the future is the "side gate" car, developed in 1965 by P-S in cooperation with Louisville & Nashville.

The side gate car, Bateson pointed out, is capable of "unloading 100 tons of coal in 10 seconds, or a 100-car train of 10,000 tons in less than 20 minutes."

By contrast, a rotary dump train carrying a comparable load would require 1½ hours for unloading. Sensing a question running through the minds of the purchasing agents—that of facility costs to match the side gate car's rapid unloading capabilities, Bateson advised the group that they would be over $700,000 less than those now needed for gondola and hopper car dumping facilities.

The Minipiggi concept, developed by the A. T. Kearney Co., was mentioned by Bateson as one which might be implemented in the future. ■

Is this any way to run a banana?



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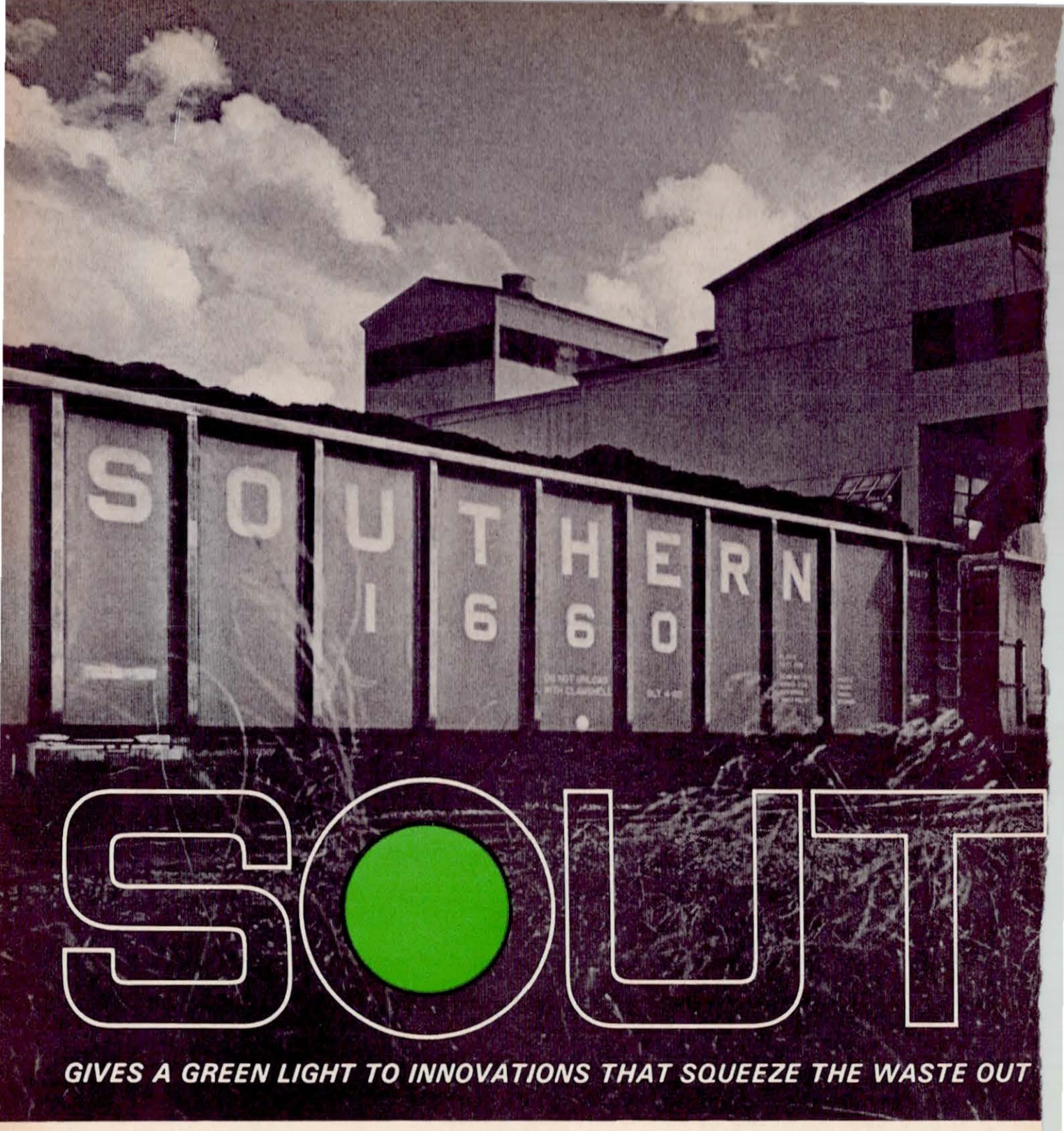

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More than 8,000,000 tons a year. At savings of nearly $7.5 million.

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Today, Southern operates six unit trains that carry coal at an annual rate of some 8,370,000 delivered tons. Annual rate of savings to shippers is nearly $7.5 million.

One of our "long-handled coal

shovels" is part of still another innovation in coal distribution — rail-to-rail transloading. Coal originating in small shipments at low-volume mines is pooled at a transloader for reloading into the high total tonnages required for economical, efficient unit-train movement.

The unit train and rail-to-rail transloading — two among many innovations at work on Southern Railway, squeezing the waste out of distribution... to the benefit of shippers and consumers alike.

Attacking waste in distribution today has pushed Southern's planning and thinking far beyond the mere mechanics of mass transportation. Our job is to find realistic, profit-building, money-saving answers to your problems and costs, *wherever they may lie in the overall distribution complex.* We have the will and the wherewithal to do that job well. Let us help you squeeze the waste out of *your* distribution. Write or call W. V. Burke, Vice President — Sales, Southern Railway System, P. O. Box 1808, Washington, D. C. 20013; telephone 202/628-4460

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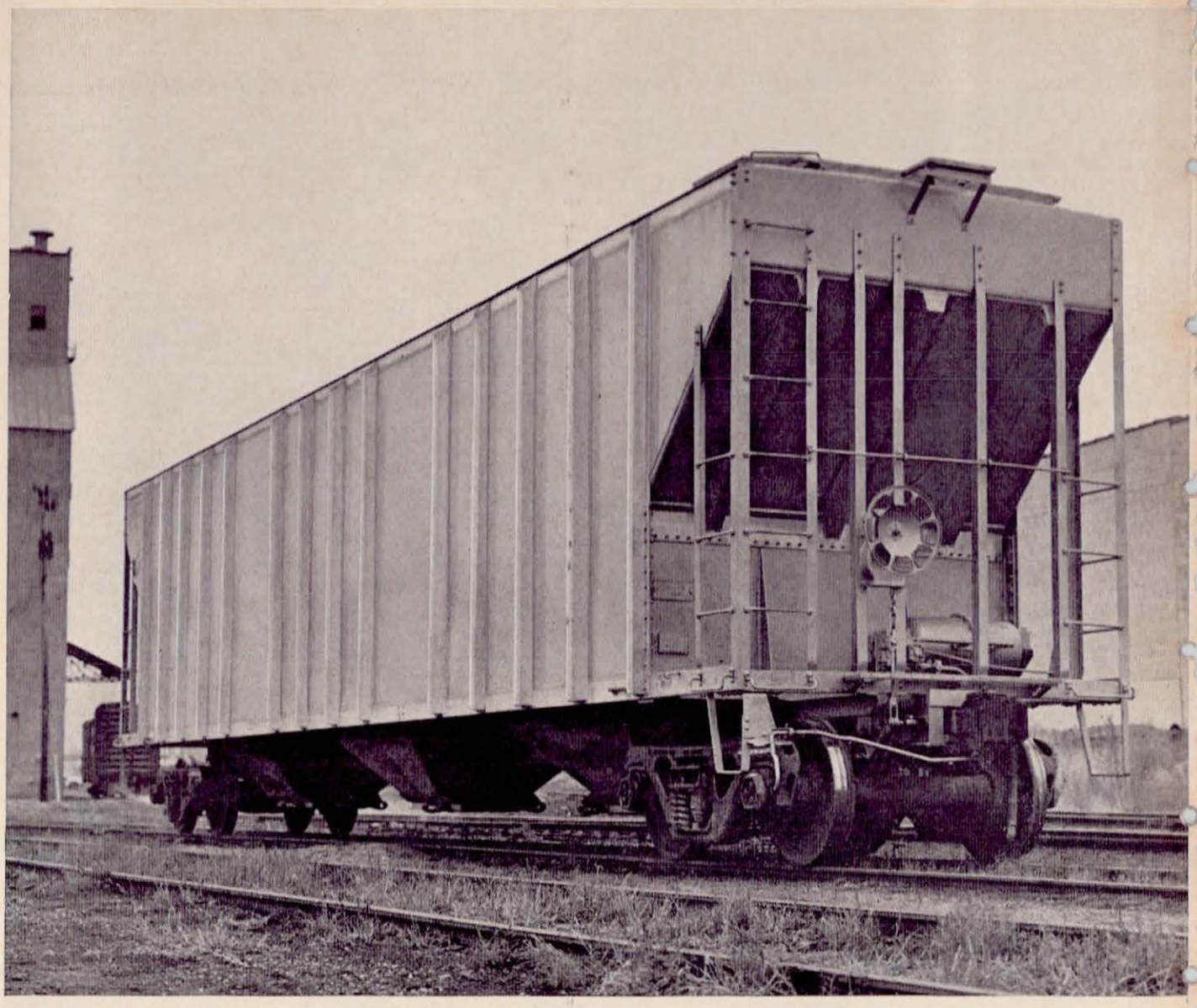
LOOK AHEAD-LOOK SOUTH

Circle 13 on coupon page 53



This car will work 11 months more..

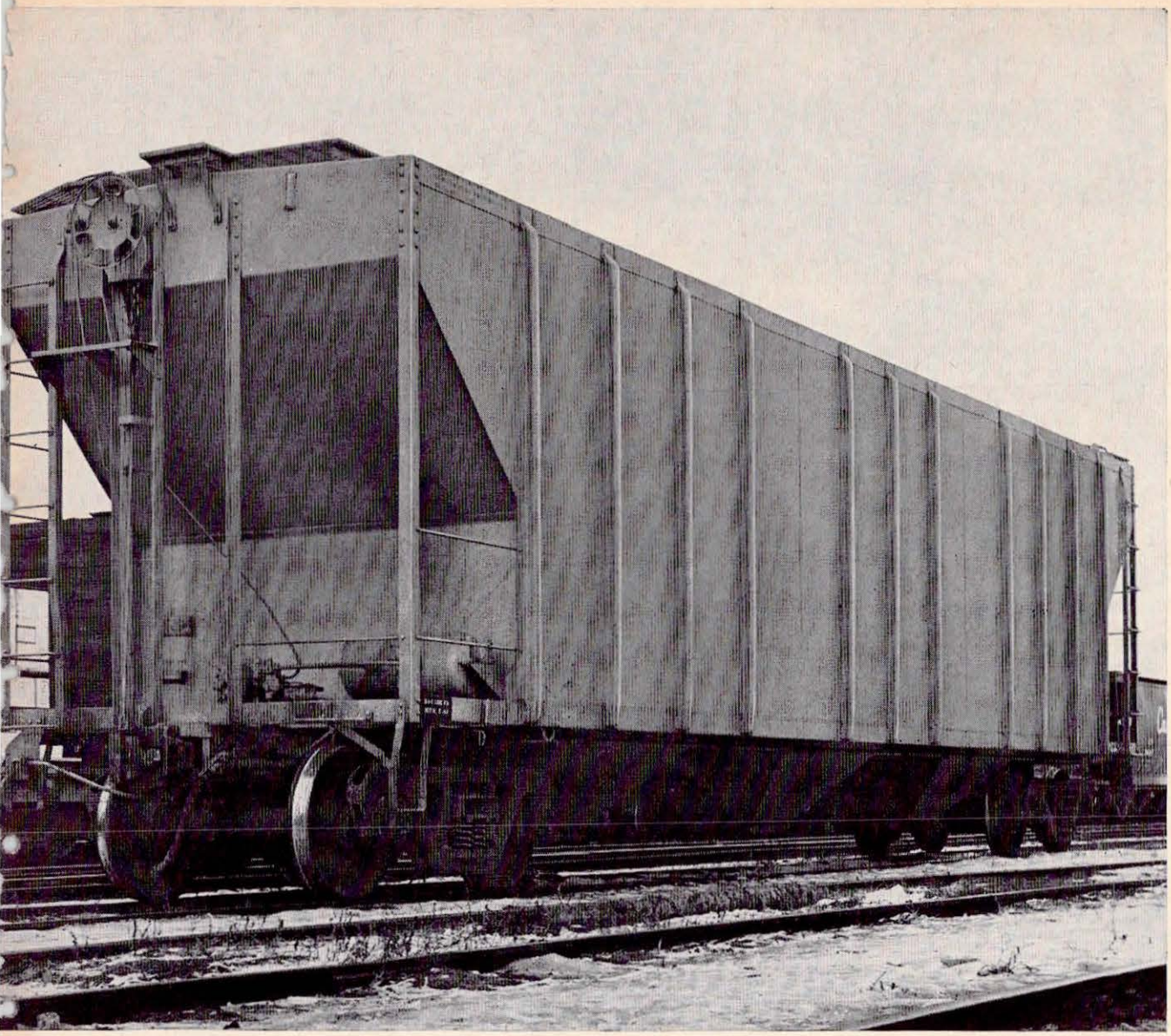
Aluminum-body covered hoppers need no lining,

One of the important differences between steel and aluminum-bodied covered hoppers is a difference you don't see right away. Most steel covered hoppers have interior linings and need re-lining and lining patch-up after a few years of normal service; aluminum cars don't.

This simple fact can mean a difference of *11 months* in utilization during the first 15 years' service of the two cars. Steel cars can expect to have that much down-time for re-lining and lining patch-up in their first 15 years. This was emphasized recently by Mechanical and Transportation Departments of four major railroads. First, these railroads agreed that steel covered hoppers needed complete re-lining every 5 to 6 years, at a cost of $700 each. Interim lining patch-ups were also needed about every 2 years, at a cost of $100.

Average down-time involved for each re-lining or lining patch-up was 7 weeks, including movement to shipper who rejects the car, to the shop where lining work is done, time lost waiting for position in the shop, and back into service. Over 15 years, this adds up to 11 months. Still another cost to be considered is the loss of business while the car is being repaired.

Aluminum-body cars would be working and earning while their steel counterparts are in the shop, because they do not rust, they resist corrosion, clean eas-



than this car in their first 15 years.

save down-time, offer higher utilization.

ly—need only simple hosing and sweeping to stay clean . . . *never need costly interior linings.*

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2. Aluminum-body cars resist corrosion, never rust, are easy to clean out.
3. Aluminum-body cars carry more payload.
4. Aluminum-body cars earn more off line per diem.
5. Aluminum-body cars reduce operating costs.
6. Aluminum-body cars have high scrap value.

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MEMBER RPI

Circle 14 on coupon page 53

REPORT FROM BRNO:

For Czech railways, it's business (almost) as usual

What happened to Czechoslovakia's railways when Soviet tanks rolled across the frontier? What are the long-range implications of the Soviet occupation insofar as Czech hopes for increased rail-equipment trade with the West are concerned? Railway Age International Editor John Levett, one of a select group of Western business writers invited to attend the Brno Industrial Fair, reports:

In spite of enormous administrative difficulties Czechoslovak State Railways (CSD) resumed normal operations quickly after the traumatic days of August.

In Moravia last week I found passenger and freight trains running to pre-August schedules with few time lags, on one of Europe's most densely worked systems.

One official told me at Brno—where the autumn international technical fair opened on September 15 after a week's delay—: "The railways got off comparatively lightly.

"The tanks stuck to the roads and only tore up the tracks at crossing points. So we were able to get most lines back to work after a few days."

Even so, when the cost of damage to track, bridges and equipment was counted it totalled $6,500,000. Worse was the loss of earnings, estimated at $24,000,000 during the four day shutdown.

Total damage to all forms of transport—many highways were badly ripped by the Soviet tanks—amounted to more than $291,000,000 according to preliminary estimates by the Czech Ministry of Transport.

● **Supplies by truck.** Because the Czechoslovak people are still stolidly refusing all co-operation with the invading armies, the Soviet authorities are having to route all military supplies from the Czech border by army truck.

The story of the trainload of Soviet detector equipment—intended to locate the Czechs' secret radio stations—which was shunted all round Czechoslovakia by CSD workers during the last days of August, has been widely told.

The lesson has obviously not been lost on the Soviet authorities. If they tried to ship supplies on Czech railways, the result might be chaos—deliberately created by Czech passive resistance.

● **Melancholy Brno.** The 10th Brno Industrial fair was intended to be a gala occasion. Instead it was held—after a miracle of improvised organization—in a melancholy atmosphere caused by the knowledge that Soviet tanks ringed the city.

Railway equipment shown included a 1500 hp diesel-electric locomotive from the Prague CKD plant, a new type of monoblock wheelset from the Bohumin steel plant, and a single-casting bogie frame.

Foreign exhibitors included Yugoslavia's Janko Gredelj factory, showing a new type of postal sorting car; and the East German Transportmaschinen company with two new types of refrigerated containers, one machine-cooled, the other nitrogen-cooled.

In spite of the generally downcast mood, Czech businessmen stressed time after time their determination to continue and expand business relations with the West.

In discussion after discussion with directors of the country's main railway supply firms and export companies I was told: "We need your products—and we aim to sell you ours!"

● **Problem for Skoda.** A director of the giant Skoda complex told me: "For years we've been supplying huge quantities of electric locomotives to the Soviet Union.

"Next year alone we are committed to delivering 140 high powered main-line units to Soviet Railways, and we expect to have an extension of the existing long-term contract.

"Naturally we've always welcomed such huge orders, and our plant has been expanded to handle them.

"But the Russians are now building more than 700 electric locomotives a year themselves. So saturation point must be reached before long.

"That means we have to look elsewhere for potential customers. We have to push more strongly into the world markets to get a foothold now—not when the Soviet orders taper off."

● **Looking for licenses.** As well as aiming for new markets the Czechs are looking for—and prepared to sell—licenses for a wide range of equipment.

Under the old system Western technology was almost ignored. Czech industry is still stiff and top-heavy with research and scientific institutes.

Dr. Antonin Mrasek, Deputy Minister of Technology, told me: "We are still spending about 4% of our national budget on research. In many cases we are working on problems which have already been solved elsewhere."

Where highly sophisticated equipment has been needed the end result has often proved enormously costly. And for plant directors who have realized that similar equipment and licenses were readily available in the West, it was a frustrating period.

Now the Czech Government and industry are desperately trying to break out of the straitjacket.

Another factor worrying top level management—and publicly acknowledged by Government spokesmen—is the relatively low level of technology on the plant floor in many industries, a result of past political pressures.

● **New law.** Expression of the Government's determination to press on with economic as well as political reforms came in a law which became effective on September 14.

This makes it possible for all Czechoslovak plants to negotiate their own contracts with foreign firms, or to form their own consortiums to handle exports.

In fact, some firms have been operating this way since the beginning of this year, with top-level blessing. The new law puts the policy firmly on the statute book.

Only stipulation is that contracts must first be submitted to the State Bank—not for "approval," but to ensure that the firm has sufficient cash to meet its foreign commitments.

One man told me: "Now, at long last, we have the opportunity to choose our customers and our business partners."

The problem is not, of course as simple as that. The Czechs are seriously short of hard currency. Stated aim of the Government is to make the Czech crown convertible, and, claimed Dr. Mrasek, they are not going back on that.

But he added: "What has happened will make it that much more difficult. There is no point in us giving a date that we can't keep to.

"But nothing that has happened will prevent us from continuing our present economic policy, and that includes eventual convertibility for the crown."

● **Czech hope.** What Czech businessmen now hope—and this came across strongly from every railway supply man I spoke to—is that Western firms will take every advantage of the new trading policy to go in and sell, undeterred by what has happened.

And they made it clear that come what may, they intend to see that every contract negotiated is carried out to the letter. ■

Piggyback takes on two heavyweight contenders— at the same time.

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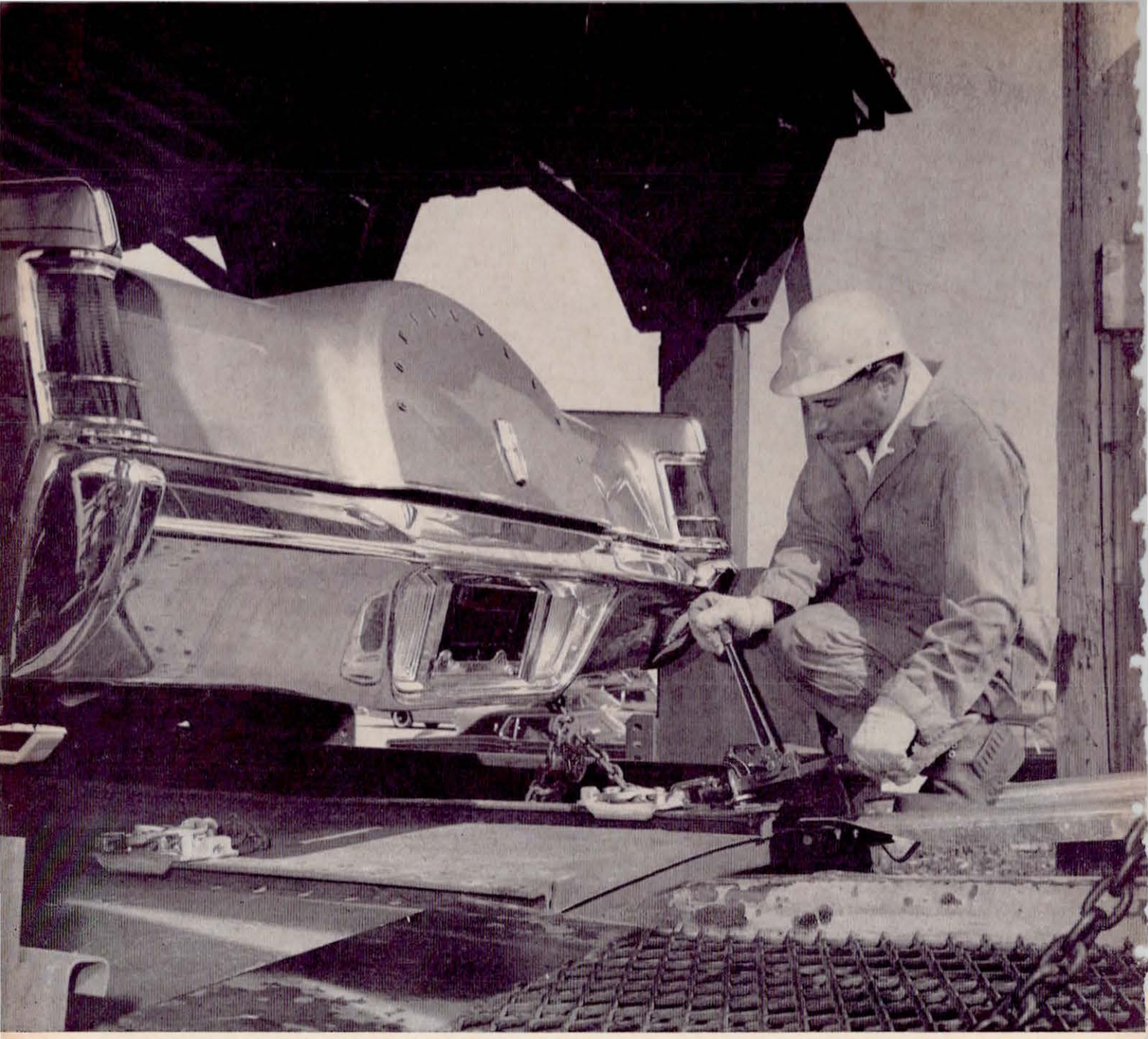

NEW CONTINENTAL is secured on auto rack deck with new low-silhouette tie-downs at Ford loading facility.

Racks altered for '69 Fords

Thirty-one railroads have been engaged in a $2¼-million program to prepare 4,500 rack cars for new automobiles; other manufacturers may follow Ford's lead.

While potential buyers for 1969 Ford products are only now discovering what that automobile in their future might look like, 31 railroads got the low down on new Fords, Mercuries and Lincolns last March. And it was low down, literally.

The Ford Transportation and Traffic Office broke the word that Ford was lowering the floors of its 1969 models by only a few tenths of an inch. But this was enough, Ford traffic men were telling railroad representatives, so that 4,500 multi-level rack cars hauling their automobiles would have to be equipped with new tie-down devices that would clear the road-hugging '69s.

On a typical tri-level car there are 60 of these securement units; on the 4,500 cars more than a quarter million of them. "In recent years," explains Roger Girard, Ford material handling engineer, "our models, as well as those of other manufacturers, have been coming close—too close, really—to the tie-down fixtures on the cars. We felt the old-style drum-and-ratchet tie-down fixtures which extend from 4 to 4¾

inches above the running surface of the rack decks could possibly present problems with some models during the loading and unloading, or due to in-transit bouncing action."

● **Low-silhouette designs.** Basic objective of Ford's proposal was a tie-down only 2½ inches above the deck running surface. Ford even came up with the basic arrangement—sliding motion of a ratchet in existing tie-down tracks rather than the previous drum ratchet. Chains and tracks would require virtually no change. Brandon/Portec, Darby, Paragon (now Portec), and Whitehead & Kales all came up with devices which passed actual service tests starting in March and ending by mid-May. Ford specified that all would accept common tools for tightening; that adjustment would be in 1½-inch increments; and that there would be a "quick" unlock to speed unloading.

While 31 railroads have cars in Ford pools, a dozen elected to make the changes on the fleet—Canadian National; Chesapeake & Ohio; Detroit, Toledo & Ironton; Erie Lackawanna; Louisville & Nashville; Milwaukee; Missouri Pacific; Norfolk & Western; Penn Central; Seaboard Coast Line; Southern; and Western Pacific.

Although none of these shops were through with the conversion as Ford's new model year opened, railroads had converted sufficient multi-levels to meet the '69 surge. Actually the shopping involved more than tie-down changes. Because Ford shipping and receiving terminals are now supplied with lightweight bridging ramps, the car-mounted bridge plates are taken off. The railroads showed their ability to conduct a crash program and could take some comfort from the fact that highway carriers learned that their vehicles also required changes before model year 1969 rolled around.

● **What about 1970?** Between now and model year 1970, another and probably larger-scale program is apt to unfold. But automobile manufacturers have been casting glances of uncertainty at the low-deck rack car—at the couplers and the square housings over the end-of-car cushioning units. "Like the old-style tie-down devices, the housings are things we have learned to live with in recent years," explains Ford's Girard. "Plans are being made to modify the square housings.

DT&I has done some preliminary work on this and reports that "compared with the tie-down change, trimming the housings may take about four times as many man-hours per car." Should other auto makers seek low-silhouette tie-downs on their rack-car fleets in time for 1970 model year, and should the decision be made to trim all the housings, then railroad car shops can look forward to a busy year. ■

LUTHER MILLER

AS THE EDITOR SEES IT

PROGRESS REPORT FROM JAPAN —The success story of Japan's all-passenger New Tokaido Line grows brighter with every new financial report. The latest, issued a few days ago by Japanese National Railways, is a dazzler—though it contains some small print calculated to dash the hopes of Americans who would like to think that what Japan has accomplished can easily be duplicated in the U.S.

SLOW START TO FULL SPEED—During its first partial year of operation (1964), the New Tokaido Line had an operating ratio of 141% and suffered a loss of $22 million. During 1965 the operating ratio dropped to 122% but the loss, for a full year of operation, rose to $35 million. Then the fiscal tide turned. In 1966 there was a profit of $45 million, and an operating ratio of 82%. Now, the report for fiscal 1967—which ended in March of this year—shows profits soaring to $96 million on an operating ratio of 69%. NTL opened with 60,000 passengers a day. The count is now in the neighborhood of 300,000 a day, with a record 307,651 passengers carried on Aug. 18.

THE OTHER SIDE OF THE YEN—Certainly, this is a remarkable achievement, and the railroad world owes a rousing cheer to the men who conceived this billion-dollar-plus project and those who brilliantly implemented it and have made it pay, beyond all expectations. But there is another side to the NTL story that is not so well known.

THE DIFFERENCE —Passenger trains (JNR's annual report reveals) are the big revenue producers in Japan, accounting for 69% of all railway revenues in 1967. This is because Japan's railways still account for around 42% of all domestic passenger miles, leading private automobiles, planes, buses and ships. This astonishing statistic derives, in turn, largely from the fact that in Japan—at the time the New Tokaido Line opened—only one person in 57 owned an automobile. And what is the corresponding story in the U.S.? When you realize that our own ratio is one automobile for every 2.5 people, the other statistics aren't so surprising—our railroads derive only about 5% of revenues from passenger trains, they have only 1.2% of the intercity passenger market. Consider also the demographic factor: The area served by the NTL incorporates 40% of Japan's population, nearly 70% of its industrial output, 60% of national income. All of this surely cannot be ignored by that growing, noisy claque in the U.S. which makes simplistic comparsions between what has happened in Japan and what they would like to see happen at home. But it probably will be.

Why do cars built with Cor-Ten Steel stay in service far longer than ordinary cars?

USS COR-TEN High-Strength Low-Alloy Steel not only has extraordinary resistance to atmospheric corrosion and normally holds paint up to twice as long as carbon steel, but also is 40% stronger than regular carbon steel. It gives cars the stamina to withstand continuous punishment and to set records for uninterrupted service.

USS COR-TEN Steel can be used (1) in the same thicknesses as carbon steel to provide much greater strength and far longer service life with the same payload, (2) in thinner sections to provide equal strength and service life with a maximum reduction in weight and increase in payloads of several thousand pounds per car, or (3) in

intermediate thicknesses to provide, at the same time, a lesser but worthwhile increase in strength, payload and service life.

USS TRI-TEN Steel, another relatively low-cost weight reducer, has excellent resistance to fatigue. USS EX-TEN Steel's favorable strength-to-cost ratio makes it the biggest carbuilding bargain around. For especially rough impact/abrasion applications, use USS "T-1" Steels.

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THE L&D WAR: A BIGGER ROLE FOR THE SHIPPER?

One major shipper thinks the railroads' customers can do more to help reduce loss and damage, if they're given a push. His advice, in effect: "Get tough with us on L&D"

By FRANK MALONE, Western Editor

Shippers hold a role in loss and damage prevention just as carriers do, and rail men could be stronger promoters of that role. The shipper part lies in tests of the packaging in which they expect railroads to haul their products safely. Shippers won't move faster than they are now moving in this area unless rail men push, support and cooperate in the testing project. This came from a major shipper's representative Sept. 19 during a Railways Systems and Management Association program in Chicago. The program attempted to probe the L&D problem from shipper, supplier, marketing, investor, and railroad viewpoints.

● **Shipper-to-shipper talk.** Rather than gripe about rail handling of commodities, as could have been expected, Carroll E. Barnes, Burlington Industries claims and insurance manager, passed the L&D buck back to the shippers. He didn't excuse railroaders, though.

"In spite of the fact that I will incur the wrath of a lot of shippers, I am going to say to you that all shippers should look at loss and damage, and look at it deeply and examine it thoroughly. In my opinion, the biggest reason for the existence of such a ridiculous state of affairs, as far as loss and damage is concerned, is the fact that the shippers and the carriers, and the consignees, have not teamed up and looked into this matter as they should. And until we do, meetings such as this will be a waste of time and money."

The result of such teaming up would be a form of certification that packaged products have been tested and can withstand the normal hazards of transportation. Before giving a package to a carrier, manufacturers "should be required" to certify it, Barnes said.

● **Consider total distribution.** Shippers must look at the total distribution process rather than at handling, storing and moving hazards separately.

Granted, no classifying committee can draw specifications that will insure the safe arrival of any group of commodities at any point. Granted also, no committee can regulate the quality of the product for handling.

"Most people generally agree with me up to this point, but then they want to give up with the excuse that to determine the hazards is too difficult, and that it will cost entirely too much money. . . My experience indicates that this reasoning is absolutely without foundation," Barnes said.

● **National Safe Transit test.** The testing that Barnes had in mind already is supplied by the National Safe Transit Committee, headquartered in New York City. NSTC has determined normal transport hazards, and has developed a correlation for movement simulation. NSTC provides severe vibration and impact tests for packaged goods. Burlington Industries has used the tests mainly for furniture products, but the concept applies to many cartoned, canned or crated goods hauled by railroads.

● **Victims must push.** As for costs, Barnes said, "It costs nothing to test a package. If it is certified, it will cost $2.50 per thousand cartons to use the imprinted label." Regarding knowledge of the program, Barnes drew rails into the picture: "We need broader dissemination of information about NSTC and we need support, active support, from the victims of poor packaging. . . Top management of all carriers should be pushing and promoting and publicizing the pre-shipment test program."

For the shipper, Barnes viewed this project as an extension of quality control beyond the end of the production line. Control already includes "all kinds of tests all the time, "so why not package tests, too?

"Shipments are moving everyday, and in volume, in interstate commerce that meet the classification packaging requirements but have failed the NSTC test and the manufacturer has elected not to correct . . This is ridiculous."

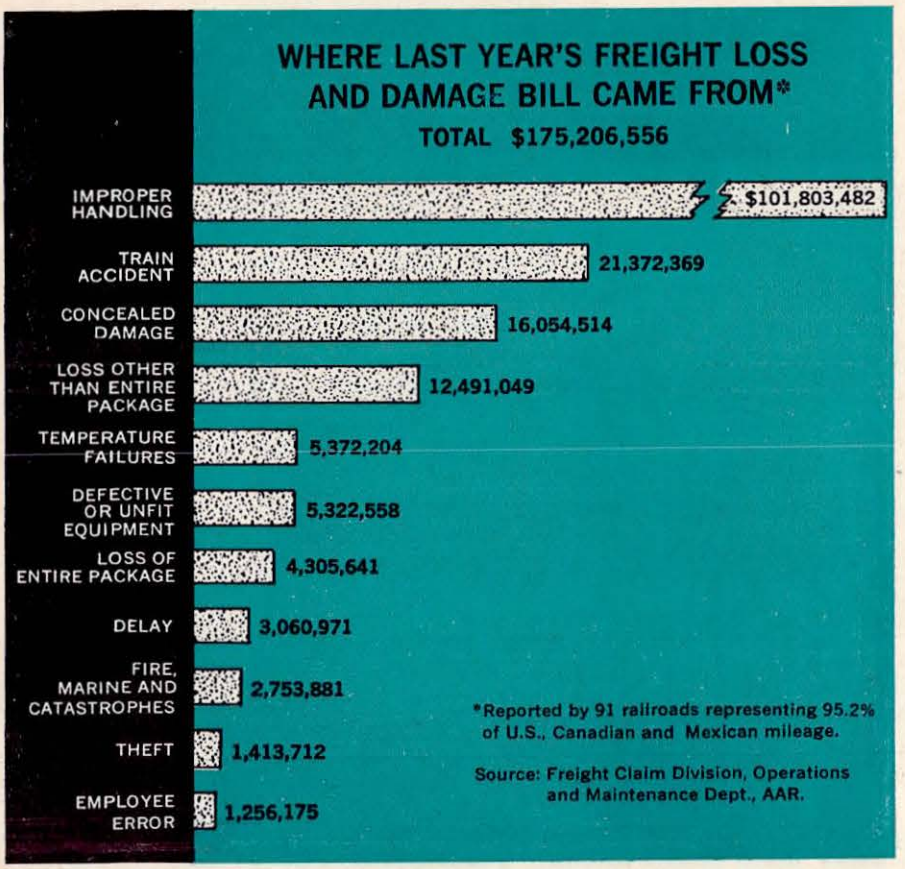
The situation won't change, however, without the support of the carriers through active participation as sustaining members and cooperators in the development of better tests, Barnes warned "The shipper isn't going to do everything correctly automatically."

Barnes said he emphasized the NSTC program because it's the only one that has proved itself through 19 years spent in the development of correlations by which 5,000 pieces of freight are tested each year. "I have said that we have determined the normal hazards of transportation and such hazards have been correlated to basic and simple laboratory test procedures. I have absolute proof that this program will work. I am not saying that every shipper can adopt the NSTC program and get all of his products safely delivered. As already mentioned, there may be hazards at our receiver's locations or our own shipping plants that are worse than normal transportation hazards. These must be taken into consideration and we must package accordingly. NSTC is a good base line that provides performance criteria rather than package specifications."

One area of carrier cooperation is in the updating of test procedures. For economic reasons, carriers constantly are changing handling methods and equipment, often to meet shippers' and receivers' requirements. If carriers make the effort to meet such needs, they ought to make the parallel effort to obtain packaging that fits their updated service.

A pre-testing program would include one "distasteful" element—the fact that shippers must realize that "the cheaper the commodity, the better the packaging must be." Barnes said, "This is contrary to the thinking of the average manufacturer. But, if the carriers will review their claims, they will find that their claim ratio on cheap goods far exceeds the claims on quality products."

● **Research shakeup needed.** The need for test-related data fits the broader research program called for by another speaker, R. S. Hamilton, marketing vice president for the Southern. It's a program that will wreck "sacred cows," but it's needed. In spite of numerous prevention measures, the campaign to cut L&D payout is making little progress, "and holding our own is not good



enough for 1968 and it is going to be a progressively poorer posture in the years to come." Hamilton said.

Consequently, he proposed as the first step the organization of a "small group of competent research people" who "should have the responsibility of finding those areas of damage which can be prevented or minimized, and to develop recommendations for such prevention."

Where would these men come from? Probably not from the inside: "Unfortunately, I don't think we are going to find very many candidates for this research group within the ranks of our present damage prevention forces, but these forces need this help badly. We need people who are on fluent terms with statistical methods, computers, mathematical analysis, and pure logic. Some may be engineers, some may be economists, others may have diverse backgrounds. But each must have an instinct for the kind of detective work the job will require. They must be the kind of people who are quite likely to ask stupid questions and then distill kernels of knowledge from less than adequate answers."

● **Data base essential.** The first problem is finding the people needed. The second will be finding the information the people will need, "to tell them which skeletons are in which closets." Development of this information will be time-consuming, expensive and painful because of built-in obstacles to damage prevention, Hamilton warned. The obstacles are delay in data movement, restriction to data on claims only, and inaccuracy and incompleteness of information.

"I do not mean to imply that we cannot do any productive analysis with the data we do have, but our analysts are not going to be completely productive until we give them the necessary tools. These tools are going to take time and money and, above all, enlightened management support," Hamilton said.

Leaders will be needed who have keen railroad knowledge, analytical ability and openmindness. "The analyst who develops a situation where cars with interior restraining devices are sustaining more damage than ordinary cars is going to have his work cut out for him. The man who recommends expansion of a type of Plan III concept of loss and damage responsibility to give the shipper a greater interest in seeing that his cargo is properly packaged and loaded may end up being tried as a heretic. And the poor fellow who finds a commodity in which 100,000-pound loads have twice as much damage as 80,000-pound loads will no doubt be exorcised of his sins by a railroad chaplain on the steps of the Interstate Commerce Commission just before the chief traffic officers burn him at the stake."

Right now, Hamilton said, there is evidence that railroads at least are holding their own in the fight against damage. A 30% increase in ton miles and a 6% increase in value of the goods carried add up to nearly the 40% increase in the actual claim bill since 1961. However, he warned against complacency and reminded listeners that "the next ten years will demand squeezing every dollar of waste out of our expenses if we are to be a vigorous force in the transportation picture."

By proposing the research group Hamilton was, in effect, questioning the use (not the value) of damage-prevention equipment such as cushion gear, interior stowing devices, equipment for special loads, and ride control instruments. "I sometimes wonder if we put all this equipment in the right places. Some of our studies indicate a higher incidence of damage in these specially equipped cars than we have in plain cars in the same movements. I wonder how many shippers have a more casual attitude toward proper loading practices when using this equipment. I wonder how many yards hump cushioned cars at higher speeds. We continue to buy more impact recorders, but I wonder whether we are using the ones we have to their fullest potential. We make packaging and loading studies for our shippers; how many revert to the old ways after the inspector leaves?"

● **Change operations, too.** Agreement with Hamilton's view came from a rail equipment supplier who called for basic operating changes that would ease the L&D potential of rail movement. J. D. Loftis, vice president of Symington Wayne's Transportation Division, proposed short-fast trains and elimination of terminal shuffling as a sure way to cut damage payout.

What technical help is required to fight damage under present operating procedures is available, yet the damage figures continue to rise. "Is it then a fact that a certain amount of damage and a certain number of train accidents must remain a part of the normal risk of shipping by rail? Perhaps so, but I submit there may be other areas as yet not fully explored which could go a long way toward eliminating these wasteful expenses. . . ," Loftis said. Consequently, he added, L&D and accident problems are sociological-economic rather than technological in nature. Damage answers will be worked out along with other rail problems that are blocking a healthier industry. The answers will come from "changes in

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Burlington Industries

"Investors may well ask: Can (rising L&D payout) be lack of management control?"

Mary De Sapio
Bache & Co.

"Do shippers have a more casual attitude toward loading when using special equipment?"

R. S. Hamilton
Southern Railway

operations that must exist in the inventive minds of the rail industry. . ." The damage problem is linked with better equipment utilization, service performance improvement, and the labor situation.

"Short, fast trains, elimination of terminal 'shuffling of the deck,' and other operating changes would set an entirely different set of criteria for the challenge of the railway supply industry," Loftis said.

L&D means lost business. How does damage affect railroad sales? By causing a traffic loss: "Railroad freight claims in 1967 represented $175 million in direct payouts, but a great many times that much lost in sales. We should not forget that, at our present rate of return, it would take upwards of $3 billion of additional freight sales revenues to yield $175 million of net," said R. H. Steiner, Penn Central general pricing manager.

Loss and damage is a big factor in driving potential traffic to other haulers, especially to truckers. Although performance figures show that the truck L&D situation is not much better than railroads, "there surely is a vast amount of traffic that goes by truck because a freight car is simply a riskier vehicle from the loss and damage standpoint," Steiner added.

However, the picture isn't as bad as it might seem to be. Although progress has been less than adequate, Steiner said the situation can still be corrected: "There is nothing unalterable about our L&D position in either absolute terms of dollar payment or relative terms of comparative disadvantage with other modes."

One area of improvement will be competition with trucks for safety. Right now, the claim-free ratio of 77 major truck firms is 99%, compared with 90% for railroads. "On this basis, rail is about ten times as risky as truck but the average rail shipment is far heavier and goes a lot farther. . ." What is needed? More attention to freight car inspection, better monitoring of car handling, better education of shippers on proper packaging and loading, and surveillance of loading and unloading, Steiner said. Another element would be use of computers to define patterns of loss and damage by pinning down the roughest sections of track, the yards most likely to produce car mishandling, the shippers who package and load improperly, and the commodities that are most prone to damage—and the reasons for all of these.

This would be an aid for accurate allocation of prevention money and manpower.

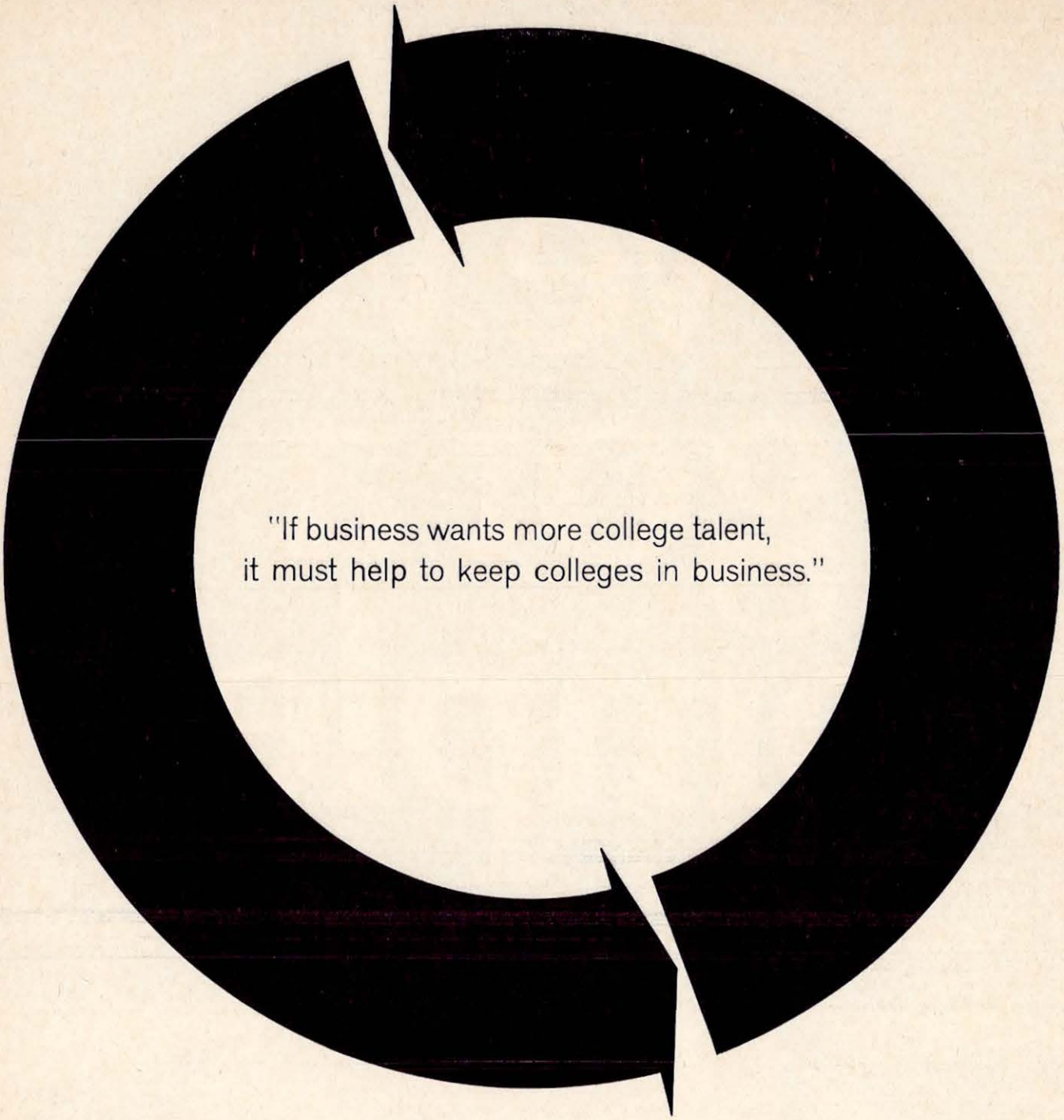
● **Investors leave, too.** Traffic isn't the only thing that moves elsewhere for fear of rail damage. Investors pull out, too. "The investor has lost a little bit of faith in the industry, and is turning elsewhere," said Mary De Sapio, Bache & Co. member. At the current rate of L&D payout and based on a 57% traffic growth, the 1975 L&D figure will be $275 million, and "truly, the investor does not warrant that kind of treatment," Miss De Sapio said.

Investors are watching to see if promises will be kept. They have accepted changes in rail corporate structure, submitted when necessary to promotion of long-range goals over immediate gains, approved mergers, agreed to huge capital expense programs, but gained "just a glimmer of promise" for the effort.

Investors have watched the percentage of L&D rise from 1.3% of freight revenue in 1958 to 1.8% in 1967. In 1958, the figure was 18%, and in 1967, 30% of net income, and investors have been "shocked," Miss De Sapio said. With a 100% reduction in L&D payments in 1967, railroads could have added more than $100 million to net income.

In view of this situation, the investor is at a crossroads and may consider better investment opportunities. This is true especially when the investor considers dividends. "The margin is extremely thin when you consider that the common and preferred dividends, paid out, $502 million, almost equal the $555 million earned by the industry in 1967, Miss De Sapio said.

She added: "How long can investors rely on the current payout when this loss ($167 million for U.S. railroads in 1967) is equivalent to one-third of the cash dividends paid out in 1967. . . Investors may well ask—can it be lack of management control. . .?" ■



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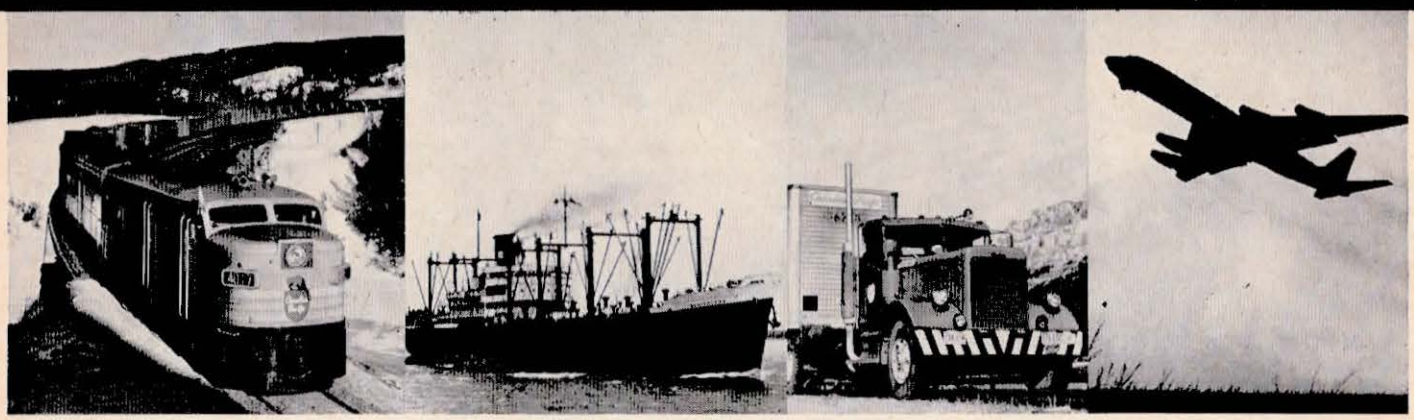

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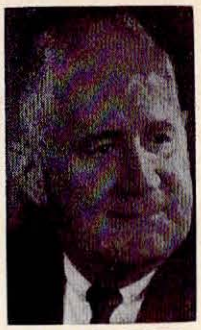


WALTER TAFT

WATCHING WASHINGTON

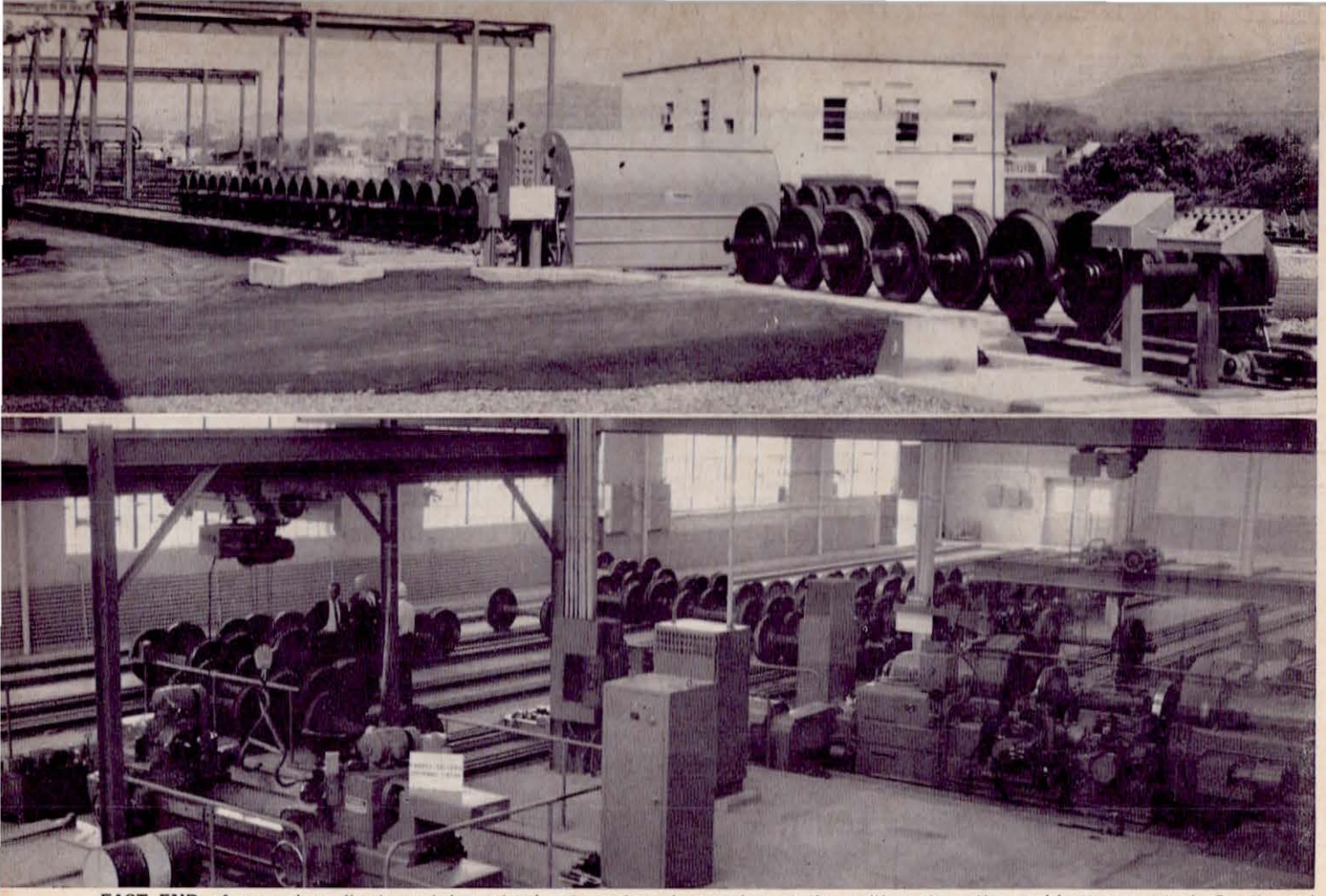
FUEL-PRICE BREAKTHROUGH—The index of spot prices paid by railroads for fuel broke through the AAR's index base in July for the first time in 11 years. The index base is the average of the 1957-1959 prices as 100. The fuel-price index, reflecting both coal and oil prices, remained below that base from July 1957 until last July, when it became 100.2. The 11-years-earlier index was 105.7. The range of annual fuel indexes from 1958 through 1963, and quarterly indexes from January 1964 through April 1968 was from October 1964's 86.5 to last April's 98.7.

LONER—The fuel-price index was a loner in its persistence below 100. The three other group indexes have been above the base since 1958. And the composite index, averaging all groups, has been below 100 only twice since that time. The exceptions were July 1964's 99.6 and October 1964's 99.5. The latest composite index, i.e., last July's, was 110.5, up fractionally from April's 109.8 and 3.3 points above July 1967's 107.2. How the relatively low fuel prices tended to keep the composite index down is spotlighted by the July index for all prices other than fuel—114.3, nearly four points higher than the over-all composite.

THE GROUPS—Highest of the July group indexes was that for Forest Products. This was 123.5, compared with April's 120.1 and July 1967's 117.8. Recent rises in other groups have been relatively more moderate. For the Miscellaneous Products group, the July index was 115.7, up only one-tenth of a point from April's 115.6. The comparable figure for July 1967 was 112.4. The other group—Iron and Steel Products—showed an April-to-July rise of two-tenths of a point—from 110 to 110.2.

BY DISTRICTS—By districts, the figures show that the fuel index in July was still below 100 only in the Western District. There it was 98.8. This, of course, mitigated sharper upward trends in other districts and held the all-districts fuel index down to its 100.2. The July indexes in the Eastern and Southern districts were 101.4 and 101.9, respectively.

TOPPER—Highest of all July indexes was the Forest Products group's 130.2 in the Eastern District. That was nearly seven points above the all-districts composite, and more than 16 points above the Southern District's 114.1. Meanwhile, the highest July indexes for Iron and Steel Products and Miscellaneous Products, in turn, were Western District's 111 and Southern District's 117.3.



EAST END of new shop (top) contains wheel set washer, inspection station with automatic pushbutton control. South end of shop (below) has storage tracks and feed rabbits which move wheel-sets discharged from shuttle cars.

Reading wheel shop makes room for TOFC facility

NEW WHEEL SHOP was named for Reading President Charles E. Bertrand (right). With him at dedication (left) Phillip Brennigan, Department of Transportation and F. G. Fisher, Reading assistant vice president, operations and maintenance.

The Reading has opened a new $1.4-million wheel shop at Reading, Pa. The shop replaces facilities formerly housed in the passenger-car paint shop. The old shop will be demolished to make way for a new trailer-on-flat-car facility.

The new shop—named in honor of Reading President Charles E. Bertrand—provides 45,000 square feet of floor space and will increase production by 25%. It is completely automated, except for measuring axles and wheel stations. Among the shop's principal features are the control panel which operates a 600-ton demounting press, the axle storage conveyor system and an overhead wheel scrapping conveyor system.

Wheel and axle unloading facilities, shuttle car transfer pits, an inspection station, a wheel washer and storage tracks are outside the building, on the east end.

Wheels are delivered at one end of the shop and are moved inside on a horizontal track. They are sorted and fed onto one of three tracks, depending on the work to be done on the wheels and axles.

The shop was conceived by F. G. Fisher, assistant vice president, operations and maintenance. It was built by Reading personnel under the direction of Charles C. Quell, chief engineer of equipment and facilities. Construction began in September 1967. ■

Rail labor: A sharp look at the future

Information exchange is called key to industry profitability.

Photo: Ed Wojtas

GUS WELTY

It isn't often that shippers and receivers are really separated from essential rail service. But when disaster does strike, one of three causes—preventable or otherwise—can almost always be blamed.

There's the natural disaster—earthquake, fire, flood.

There's the operational problem—derailment, line damage and blockage.

Then there's the 100%-manmade kind of trouble—the strike.

And it was this third variety of service-interruption problem that Railway Age Senior Editor Gus Welty aimed at, in comments to the 1968 meeting of the Association of Railroad Editors.

The assigned topic provided a certain latitude: *Labor-Management Relations — Impasse or Breakthrough?* Welty took a middle-ground, winding up slightly to the optimistic side of center: Impasse, hopefully not; breakthrough, unfortunately, not yet.

● **"Getting involved."** The key word tomorrow, he said, may be "involvement"—a more meaningful involvement of the employee and his organization in the progress railroads try to make: "The president of one major union expressed keen interest, some time back, when it was suggested that a major railroad might want to talk about a whole new look at the bases of crew payment. Top people in several places among the organizations are vitally interested in new railroad marketing techniques—some of which hold great promise of creating jobs, and some of which will have to involve changes in customary procedures if they're going to succeed.

"Top union people know change is coming. Like most people, their initial tendency is to resist it. Restrictive contracts help make it possible for them to resist rather effectively—and this resistance won't die down unless railroads do a better job of explaining *why* a change must be made, *how* it can be made, and *what* it will mean—not just what it will mean in the short range but, most important, what it will mean in terms of long-run operations, and opportunities.

"If we believe what we so often say, if we believe that railroads do have a future, if we believe that change is essential to the development of that future, then there is an excellent story to tell—and an obligation to tell it specifically to the employee and his representative, as well as to the public generally.

"Union leaders did not get where they are by being stupid—tough, dogmatic, stubborn, even single-minded, perhaps. But not stupid.

"At some point, they recognize that their organization and the men they represent can't survive if the industry doesn't, can't prosper if the industry isn't allowed to.

"The best hope for the unions and for union men is for the railroad industry to get rich. For that to happen, they've got to help. It's up to management to show them how—and to prove to them why."

● **Two hopes**—Over-all, Welty based hopes for some "breakthrough" on two factors—understanding and tolerance.

He urged that railroads make a greater effort in explaining change to unions—and cited a need for the labor organizations to prepare themselves better for such information exchanges, by bringing in staff people who are fully competent to grasp the opportunities which changes may offer.

As for the tolerance angle, Welty had this comment—drawing hope from the current union merger movement:

"The times, they are changing. It's quite possible that as of next Jan. 1, there will be a new union in business—the United Transportation Union, made up of the Trainmen, the Firemen, the Conductors & Brakemen and the Switchmen. It's quite probable that we will be seeing more union mergers—among the non-ops, for instance, the Clerks are most interested in expanding, in unifying the split ranks of rail labor. It's more than just possible that all transportation labor will be cooperating more closely—because labor knows that intermodal transportation will be big tomorrow, even if the individual modes themselves aren't quite ready to recognize or concede or act on the point.

"I think—and this has to be all conjecture—that the major merger now well along, that of the four ops, holds quite a bit of promise, if the added strength it provides is used properly.

"Obviously, bringing all train-service employees under one tent should cut down on the jurisdictional infighting—in which management can be the innocent middleman who gets whacked. Less obviously, making one union out of these four should produce more liberal attitudes *from* labor, *toward* management innovations.

"On the other hand, I would be surprised if this merger comes about without a strong reaction from the fifth operating union, the Brotherhood of Locomotive Engineers. I wonder if the BLE will not start a broad-based drive to win over unhappy members of the BLF&E—firemen or engineers who retain a fierce craft pride, and who may fear they're being swallowed up by the giant BRT and the other two train-service organizations. This could bring trouble, on at least a short-range basis."

● **What's going on?** Welty also reviewed the current dispute-situation—with emphasis on the communications effort being made in connection with the crew-consist dispute. He noted the

(*Continued on page 52*)

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"EMPLOYEES READ WHAT MANAGEMENT HAS TO SAY"

(*Continued from page 49*)
refusal of a half-dozen roads to knuckle-under to the demands of the Brotherhood of Railroad Trainmen: Even though the BRT won a strike and later agreement from another group of roads, "Illinois Central, Louisville & Nashville, Chicago & North Western, Kansas City Southern and Richmond, Fredericksburg & Potomac have refused to cave in. The Belt Railway of Chicago refused to cave in even though three-fourths of its owners' lines have already reached some agreement on consist to the union's satisfaction. The Belt, of course, has been struck since July 29—and it's still holding out.

"It was as if the industry, or a sizeable part of it, had said to the Trainmen, 'This far, and no farther.' I think it's safe to say that the union did not expect this kind of resistance—and that it certainly did not expect the kind of communications job which some roads have done."

In describing this management-to-men campaign, Welty said:

"As a communications effort, it has been little short of magnificent. As an *effective* effort—that does remain to be seen. It isn't enough to have faith in your fellow man's ability to absorb conflicting viewpoints and then make a judgment on what's right, or what he wants. You have to figure in the complexities of union organization—and whether the individual member's desires can be or will be reflected in union policy.

"Generally speaking, the main effort has been to acquaint the individual employee with just exactly what management is offering. Money and job-security offers are being spelled out, in extreme detail. Accusations and charges made by union leaders—on safety, for instance—are being answered. Employees are being told how negotiations have progressed—or not progressed.

"There has been feedback. Employees have made it known, in various ways, that they're reading what management has to say. Not all agree of course—but they're reading. Many of them are asking questions—both of management and of their union leadership.

"In the Belt situation, the value of pre-strike or pre-confrontation communication seems to have been underscored. The Belt went through the dance with the BRT in the normal way—which is to say that during the bargaining dance, the railroad talked to BRT negotiators. It did not talk directly to its employees. This came only after the strike began. And the Belt rather quickly found strong indications that yardmen had not been told what the company was offering—and that, after they found out what was at stake, many of them lined up on management's side: That is, they preferred the extra money in the paycheck to the presence of another man in the crew.

"One of the ironic things about this whole dispute, of course, is the fact that the BRT has been so successful in large part because it had court backing for local negotiation—but local negotiation, presumably, means that agreements can vary, taking into account local conditions, local desires. Despite this, the BRT's big point seems to be that X-number of roads have agreed to one-and-two consist agreements. Therefore, *all* roads have to agree."

● **Here comes the judge.** "But this kind of communication program has its problems—as the RF&P has found out.

"A union seems free to say just as much or as little as it chooses about union affairs or about management—subject to various restrictions including the libel laws. But management, in talking to the same audience, has the interpretation of certain provisions of the Railway Labor Act to consider—and a federal district court judge in Richmond thinks that RF&P went a bit outside the Act in certain of its communications. He's clamped a restraining order on the railroad. This doesn't really interfere with the RF&P's right to communicate—but it does put stress on the need for following what are now interpreted as the legalities of the communication.

Free from coercion

"The pertinent parts of the Act have to do with the right of employees to organize and with the right of both management and the employees to choose their own representatives, free from interference, influence or coercion from the other side. RF&P did indeed mount an aggressive communications campaign. Keeping in mind the overstatement sometimes found in legalese, here is a part of the union's complaint:

"RF&P's actions, the BRT said, 'have caused substantial dissension amongst the affected membership of the plaintiff; these actions have caused appreciable portions of the affected membership to disavow or refuse to be guided by or represented by plaintiff as the lawfully-chosen bargaining representative; they have caused some of the affected membership to attempt to affect or run union activities and organizational efforts in contravention of the authority of the lawfully-chosen officers and representatives; they have caused substantial portions of affected union membership to question and refuse to cooperate with the plaintiff as their lawfully-chosen bargaining representative; they have caused substantial portions of the affected union membership to attempt to set aside the authority of their chosen leadership; and, finally, they have otherwise created substantial dissidence and chaos within the ranks and organization of the plaintiff so as to substantially jeopardize and impair the plaintiff's abilities to carry on its duties and responsibilities as the lawfully-chosen bargaining representatives for the affected membership.'

"As one RF&P man put it, 'our li'l railroad did all that?'

"RF&P's brief defense had three elements. It denied the union's key allegations. It contended that the complaint failed to state a claim on which relief could be granted. And it contended that the alleged actions are protected under the First Amendment.

"The court ruled for the BRT. It didn't find a Constitutional question involved.

"As for the examples of communication which were filed with the complaint, the judge held that a fair reading 'leads to the inevitable conclusion that they contain a subtle, if not direct, effort to influence employees in their choice of representatives.'

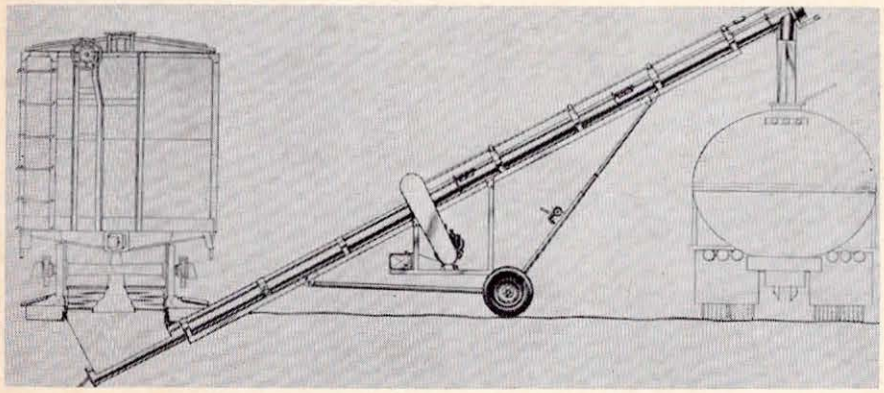
● **What's wrong?** "What did the judge object to? He found one exhibit which suggested that union representatives consider the financial interests of their members as secondary to other matters. He found two exhibits which suggest that employees are not being properly represented. He found one suggesting that duly-constituted union representatives are misleading their members. He found one which he interpreted as encouraging and attempting to influence employees to take certain action against their representatives.

"It all came down to this: 'Defendants—RFP—have a perfect right to engage in communications with their own employees. They have a perfect right to keep their employees advised. They have no right, either directly or indirectly, or by subtle approaches, to do that which is prohibited under the Railway Labor Act.'"

Welty skirted firm predictions except on one point—and that came in coffee-break conversations: Will the BRT strike the IC Sept. 21, the day both parties are free to resort to self-help. "No," he said, "I don't think so—and they'd better not, because I'm going home over the IC from Kankakee into Chicago."

That prediction, at least, held up. ■

NEW PRODUCTS REPORT



Car unloaders (RA-1)

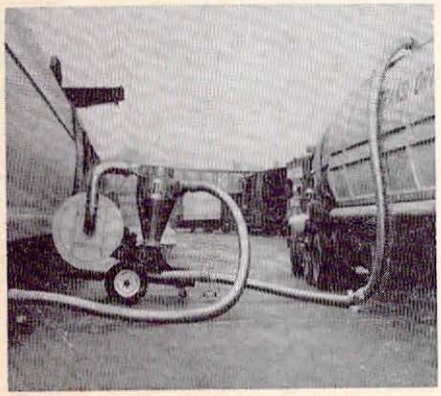
Andec portable and permanent hopper car unloaders and portable and permanent screw conveyors have screw diameters of 6, 9 and 12 in.; lengths ranging to 80 ft; and capacities of 1,610, 3,950 and 7,200 cu ft. Tubular screw conveyors are sealed systems. Plasticized nylon canvas connectors on portable unloaders fit tight against hoppers, and a flexible spout directs flow at discharge end. Doors are placed at 10 ft intervals for inspection of screw and internal bearings. *Andec.*

Accelerometer (RA-2)

The Accelograph, for use in shipping fragile cargo and equipment, measures stress and G forces from 2 to 50G and "accurately" monitors and records movements or accelerations in all directions in a given plane without additional support equipment. The unit can be attached to nearly every type of product being moved and measures any potentially damaging vibration or shock which occurs during handling. *Humphrey, Inc.*

Scanning Device (RA-3)

The Sonarscan automatic sequential scanning system for measuring the levels of solids, slurries and fluids may be incorporated into any Sonargage level-measuring instrument, enabling the monitoring of two or more sensor heads utilizing only one electronic control center. All system power requirements are standard 115 volts, 60 Hz a-c. Adjustable hi-lo alarm contacts rated 10 amp at 120 volts a-c optional *C. W. Stevens, Inc.*



Bulk transfer unit (RA-4)

A high-powered, stainless-steel transfer unit, the Chem-Vac, permits fast, economical handling of plastic pellets and beads. Chem-Vac is portable, mobile and completely self powered. In addition to transfer from rail cars to trucks for small-lot delivery, unit may be used for silo loading directly from cars and for pneumatic materials handling within a plant. Construction insures contamination-free product. *Dunbar Kapple, Inc.*

Brace rods (RA-5)

Brace rods which jam-fit between the ridges of a refrigerator car floor to hold cargo in place have serrated, case-hardened steel plugs at the ends. On the spring-loaded upper end of each is a rubber foot whose suction holds the rod at the ceiling. No belt rail or track need be installed in a car to retain load. Small packages may be retained by the use of plywood sheet. Only one man is needed to put a rod in place. *Load-Holder, Inc.*

RAILWAY AGE
THE TRANSPORTATION WEEKLY

30 Church Street, N.Y., N.Y. 10007 READERS' SERVICE (Att. J. Lindstrom)

PLEASE SEND ADDITIONAL INFORMATION ABOUT PRODUCTS IN ADVERTISEMENTS NUMBERED: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

PLEASE SEND INFORMATION ABOUT PRODUCTS DESCRIBED ON PAGE 53 MARKED: RA-1 RA-2 RA-3 RA-4 RA-5

NAME ..... TITLE .....

COMPANY .....

ADDRESS .....

CITY ..... STATE ..... ZIP .....

• **Inquiries can be processed only if title and company are shown.** 9/30/68

It's a bird—it's a plane—it's

"Supercarrier" you might call it . . .

. . . as it flies over rivers and valleys, tunnels through mountains—to spare shippers the cost of expensive ups and downs;

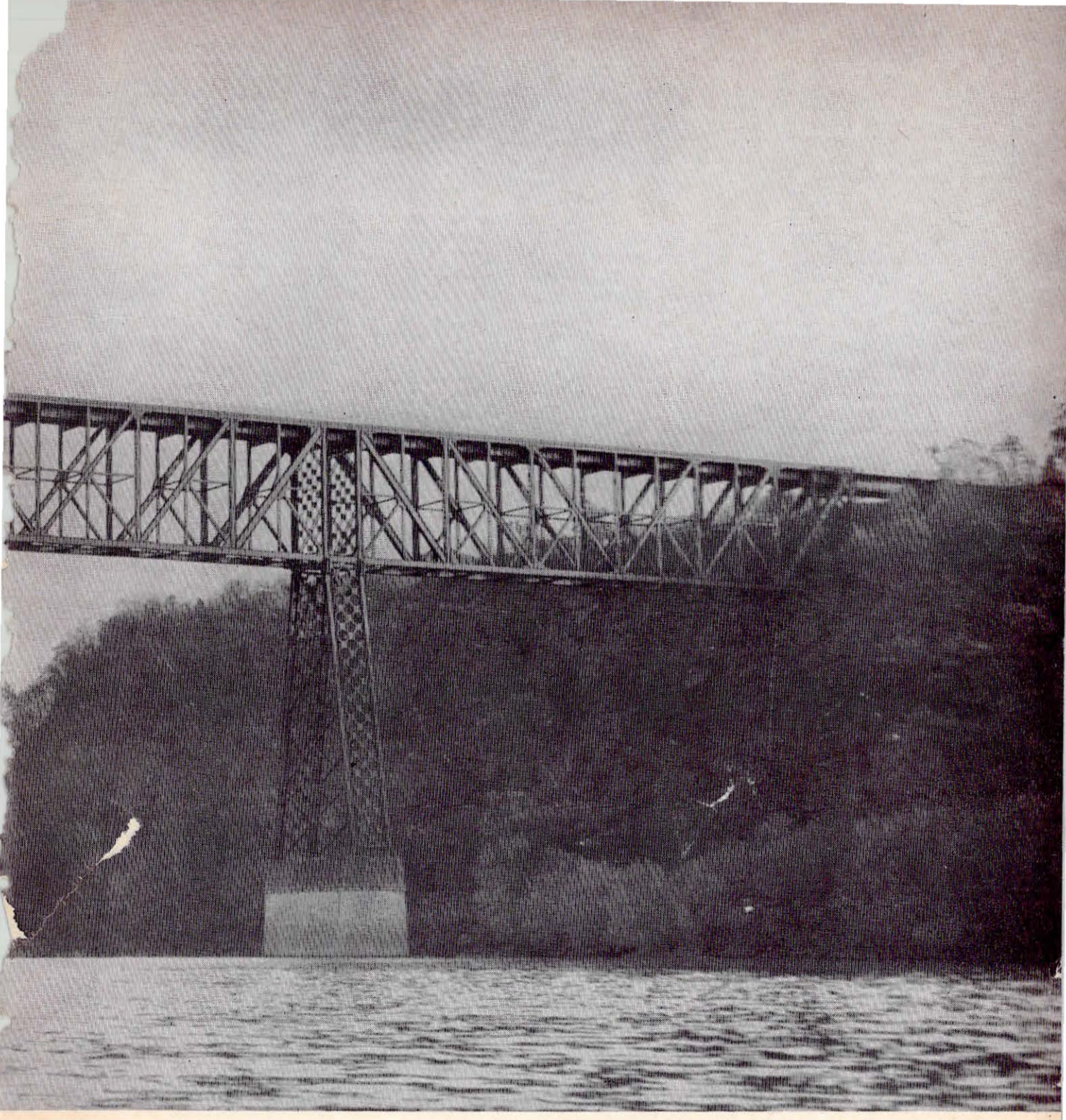
. . . as its giant diesel engines throb with unparalleled volumetric efficiency;

. . . as its unflexing steel wheels glide along on steel rails—as compared with the heavy, heat-producing, fuel-consuming flexing of highway tires;

. . . as its rails give it guided movement—basic requirement for automation (which is what the industrial future is all about!);

. . . as its multiplicity of towed vehicles puts a giant load—say, 2,000 automobiles out of Detroit—under the control of one "driver" up front!

To these inherent advantages, today's railroad man-



a train!

agement is adding as fast as it can . . .

. . . a whole new spectrum of cars—brilliantly varied in size, shape, cushioning, function;

. . . new loading and unloading devices – for faster turnarounds, better service for shippers;

. . . a whole new structure of human and superhuman brainpower – with automatic sensing devices, new signaling and communications, new computerization – bringing new speed, new accuracy, new efficiency.

How do railroaders keep up with all this progress? Through the pages of weekly RAILWAY AGE. What a place to tell people what's new with *you!*

Be part of the weekly excitement in **RAILWAY AGE** *the transportation weekly*

PEOPLE IN THE NEWS

BALTIMORE & OHIO.—William A. Finke, sales representative, coal department, Pittsburgh, appointed district sales manager—coal traffic, Buffalo, N.Y., succeeding **R. W. Balding,** retired.

C. G. Balser, assistant trainmaster, Zanesville, Ohio, promoted to trainmaster, Newark, Ohio, division, succeeding **E. Luster, Jr.,** named supervisor transportation, Cincinnati.

CANADIAN NATIONAL.—Donald F. Purves appointed vice president, Mountain Region, Edmonton, Alta., succeeding **G. R. Graham,** retired.

Emery Leblanc, public relations manager, St. Lawrence Region, appointed manager of news services, Montreal.

CANADIAN PACIFIC.—A. F. Joplin appointed system manager, planning and development, Montreal. **J. E. Gendron** named assistant superintendent, Laurentian Division, Trois Rivieres, succeeding **J. A. Fortier,** transferred to Montreal Terminals, replacing **R. N. Beaulieu.**

M. Chabot appointed general agent, Quebec, succeeding **G. K. Oddy,** transferred.

DELAWARE & HUDSON.—H. E. Schultz, construction engineer, Albany, N.Y., appointed bridge and building master there, succeeding **N. H. Williams,** retired. **F. S. Miazga** appointed bridge and building supervisor Saratoga and Champlain subdivision, Colonie, N.Y., succeeding **A. W. Cruikshank,** retired.

DETROIT, TOLEDO & IRONTON-ANN ARBOR.—L. W. Haydon named assistant chief engineer-maintenance, Dearborn, Mich. **G. M. Rigdon** appointed engineer maintenance of way, and **J. W. Shaw,** roadmaster, **Ann Arbor,** with headquarters at Owosso, Mich.

ELGIN, JOLIET & EASTERN.—Robert J. Hurst, vice president-traffic, retired Aug. 31. **J. Walter O'Neill** appointed assistant vice president. **Thomas J. Siegel** named director of marketing.

FLORIDA EAST COAST.—W. C. Wettach appointed general superintendent maintenance of way and structures, St. Augustine, Fla. Mr. Wettach spent 15 years in the maintenance of way and structures department, Pennsylvania (Penn Central).

GRAND TRUNK WESTERN.—Harry M. Robertson, district sales manager, Chicago, named assistant freight sales manager there, to succeed **Gordon M. Newby,** retired. **William E. Gilbert,** foreign freight agent, Chicago, replaces Mr. Robertson.

MISSOURI PACIFIC.—Steve P. Lawrence,

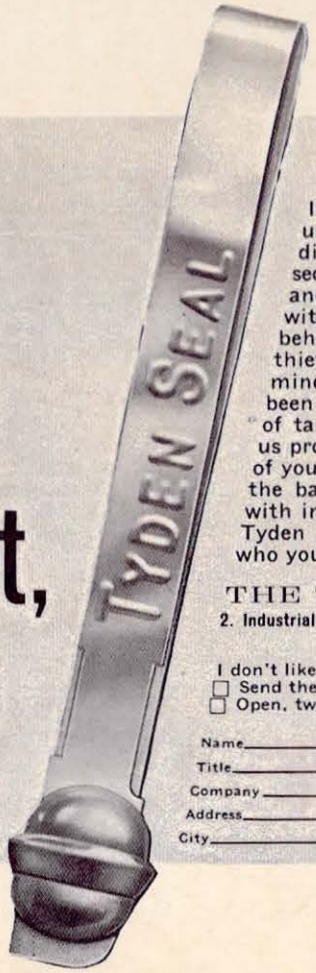
Donald F. Purves
CN

Emery Leblanc
CN

assistant general manager-pricing and divisions, named general manager-pricing and divisions, St. Louis. **D. I. Doyen** appointed assistant to general manager-pricing and divisions, freight traffic department-rates and divisions, St. Louis. **Victor E. Kieffer,** assistant freight traffic manager, becomes freight traffic manager-rates and divisions, St. Louis. **Ernest M. Sengheiser,** chief clerk, TOFC division, freight traffic department, appointed assistant to freight traffic manager, St. Louis. **Charles D. Ernst,** chief clerk Divisions section, freight traffic department, named assistant general freight agent-divisions, St. Louis. **George J. Heidenreich,** manager-rate training, appointed general freight agent, St. Louis.

MONON.—Ron P. Bohling appointed sales representative, Chicago, succeeding **Don O. Norris,** promoted.

If you like being LOOTED, LIED to, LAUGHED at, and LEFT in the LURCH:



If that's your pleasure, then go on using flat cargo seals. Never mind that dishonest employees can open them in seconds, take everything they want, and close them just as quickly . . . all without leaving a shred of evidence behind. Never mind that while the thief goes free, you pay plenty. Never mind that only the Tyden Seal has never been opened without leaving clear proof of tampering. And never mind making us prove it by sending us locked samples of your flat seals (which we'll open, twist the bands of, relock, and return—along with information and free samples of the Tyden Seal). But remember. They know who you are.

THE TYDEN CORPORATION
2. Industrial Park Drive Hastings, Michigan 49058 U.S.A.

I don't like being a loser. Please:
☐ Send the info and samples.
☐ Open, twist, and close the flat seals I'm sending.

Name_____
Title_____
Company_____
Address_____
City_____ State_____ Zip_____

Circle 20 on coupon page 53

higher capacity railroading....

total distribution unlimited

1968 is the "year of the happening" at L&N, where higher capacity railroading governs total distribution strategy. ☐ It's all around us; customer service programs for more efficient marketing management, new equipment and communications devices to assure shippers faster schedules with full knowledge of their shipment's progress. ☐ In every way, 1968 is the "year of the happening" at L&N. To find out "what's happening" that will make your distribution more efficient, more competitive, call your L&N Freight Traffic Representative.

L&N

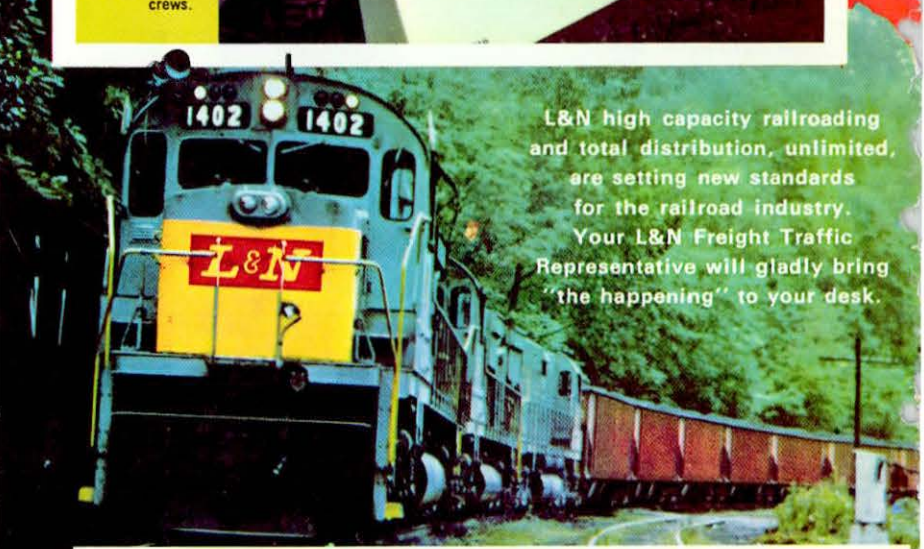
FIRST IN CUSTOMER SERVICE

ELECTRONIC CLASSIFICATION . . .

joins with Customer Service Centers in alerting shippers, expediting freight movements . . . part of "the happening" at L&N!

Dramatic achievements in car utilization and traffic flow assure dependable freight service.

Newest unit train car in railroading, the L&N Side-Gate/100 XHC; discharges 100 tons in 10 seconds, without special ramps or unloading crews.



L&N high capacity railroading and total distribution, unlimited, are setting new standards for the railroad industry. Your L&N Freight Traffic Representative will gladly bring "the happening" to your desk.

L&N

LOUISVILLE AND NASHVILLE RAILROAD

F-58

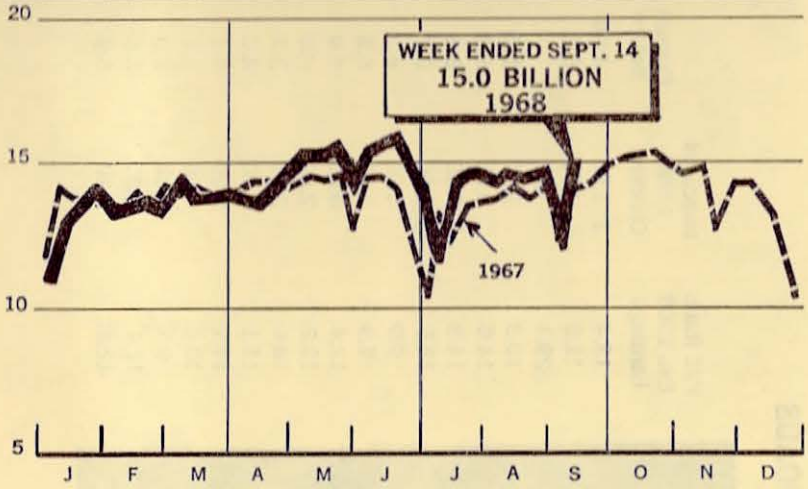
ESTIMATED 1968 PER-SHARE RESULTS FOR SELECTED RAILROADS

	Market Price 9/10/68	Per Share Results 12 mos. ended 6/30/68	Per Share Results 12 mos. ended 6/30/67	P/E Ratio 12 mos. ended 6/30/68	Per Share Results Est. 1968	Per Share Results Actual 1967	Per Share Results Actual 1966	P/E Ratio Est. 1968 Earnings	Indicated 1968 Dividend	Current Return
AT&SF*	33⅜	$ 2.30	$ 2.93	14.5	$ 2.50	$ 2.30	$ 3.54	13.4	$ 1.60	4.8%
C&O/B&O	69½	5.71	7.27	12.2	5.90	6.02	7.61	11.8	4.00	5.8
CMStP&P*	58⅛	2.07	0.63	28.1	2.00	1.14	5.60	29.1	nil	—
D&RGW	19⅛	1.79	1.95	10.7	1.85	1.76	2.01	10.3	1.10	5.8
GN	56⅛	3.21	4.41	17.5	4.00	3.14	5.94	14.0	3.00	5.3
GM&O	109⅜	7.42	7.55	14.7	7.65	7.47	7.41	14.3	3.60	3.3
IC INDUSTRIES	67⅝	5.53	3.82	12.2	5.00	3.81	3.96	13.5	1.50	2.2
L&N	80¼	8.06	10.47	10.0	8.10	8.03	11.51	9.9	5.00	6.2
MP "A"*	77¼	11.85	12.91	6.5	13.00	12.52	14.43	5.9	5.00	6.5
N&W	101⅛	8.15	9.47	12.4	8.15	8.01	10.61	12.4	6.00	5.9
NP	54	4.25	3.68	12.7	4.10	3.90	5.08	13.2	2.60	4.8
PENN CENTRAL*	65¼	3.31	n.a.	19.7	3.50**	3.10	6.80	18.6	2.40	3.7
StL-SF*	55½	4.99	n.a.	11.1	5.00	4.80	4.97	11.1	2.20	4.0
SCL	47	2.00	4.68	23.5	3.15	3.13	4.38	14.9	2.20	4.7
SP*	38¼	3.03	2.95	12.6	3.60	3.33	3.77	10.6	1.60	4.2
SOUTHERN*	55⅞	5.99	5.29	9.3	6.00	5.53	5.44	9.3	2.80	5.0
UP	56	4.36	4.58	12.8	4.50	4.42	4.76	12.4	2.00	3.6
WP	37	2.22	3.57	16.7	3.00	1.90	4.35	12.3	2.20	5.9

*Consolidated.
**Excluding Kayser-Roth's earnings; on a pooling of interest basis might add 40 cents-50 cents per share.
n.a.—Not available.
Source: Research Dept., Shearson, Hammill & Co. Inc.

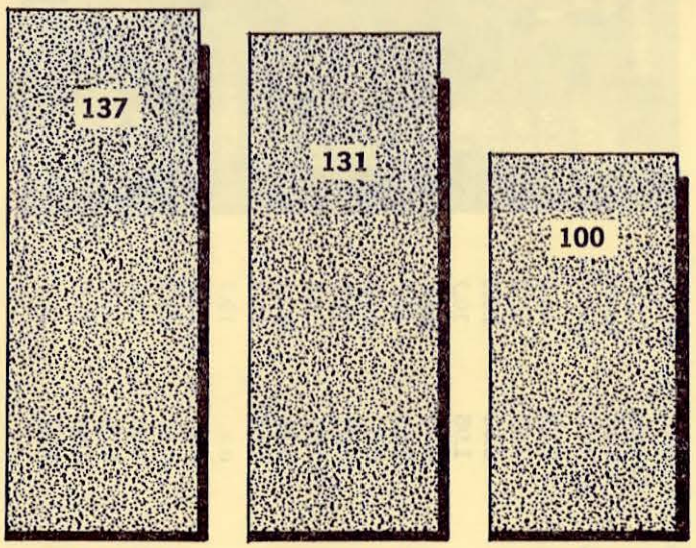
RAIL FREIGHT TRAFFIC TRENDS

BILLION TON MILES (Estimated)



Source: Association of American Railroads

INDEX OF INTERCITY TRUCK TONNAGE



Source: American Trucking Associations.

Current Statistics

Net income, Class I roads	
Six months, 1968	$284,000,000
Six months, 1967	$265,000,000
New freight cars on order	
August 1, 1968	16,943
August 1, 1967	26,904
New freight cars delivered	
7 months, 1968	34,854
7 months, 1967	53,273
Serviceable cars	
August 1, 1968	1,393,000
August 1, 1967	1,415,035

MARKET OUTLOOK

CARLOADINGS

Loadings of revenue freight in the week ended Sept. 21 totaled 585,625 cars, the Association of American Railroads announced on Sept. 26. This was an increase of 2,862 cars, or 0.5%, compared with the previous week; an increase of 16,322 cars, or 2.9%, compared with the corresponding week last year; and a decrease of 25,977 cars, or 4.2%, compared with the equivalent 1966 week. Ton-miles generated by carloadings in the week ended Sept. 21 are estimated at 15.1 billion, an increase of 5.3% above the corresponding week of 1967, and 0.1% below the 1966 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Sept. 21

District	1968	1967	1966
Eastern, including Allegheny and Pocahontas	227,822	224,677	244,710
Southern	128,714	117,916	113,742
Total Eastern and Southern Districts	356,536	342,593	358,452
Northwestern	77,305	81,592	94,793
Central Western	112,689	107,709	118,087
Southwestern	39,095	37,409	40,270
Total Western Districts	229,089	226,710	253,150
Total All Roads	585,625	569,303	611,602
Commodities:			
Grain and Grain Products	44,403	43,237	51,673
Livestock	2,274	2,852	3,198
Coal	112,880	110,986	115,451
Coke	6,273	7,101	8,387
Forest Products	44,590	42,710	39,378
Ore	44,186	40,996	58,804
Merchandise l.c.l.	4,218	4,507	6,547
Miscellaneous	326,801	366,914	328,164
Sept. 21	585,265	569,303	611,602
Sept. 14	582,763	566,821	616,312
Sept. 7	491,958	487,872	530,714
Aug. 31	573,795	572,461	613,968
Aug. 24	548,140	552,585	601,864
Cumulative total, 38 weeks	20,549,494	20,393,626	21,525,287
Estimated revenue ton-miles (billions) 38 weeks	542.5	521.4	537.2

PIGGYBACK CARLOADINGS

U. S. piggyback loadings for the week ended Sept. 14 totaled 27,926 cars, carrying 46,527 trailers, compared with 25,709 cars, carrying 41,758 trailers, in the corresponding 1967 week. Loadings for 1968 up to Sept. 14 totaled 937,691 cars, carrying 1,524,448 trailers, compared with 839,066 cars, carrying 1,378,092 trailers, in the corresponding period of 1967.

IN CANADA

Carloadings for the seven-day period ended Sept. 7 totaled 63,640 cars, compared with 109,058 for the previous ten-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Sept. 7, 1968	63,640	21,170
Sept. 7, 1967	67,752	20,600
Cumulative Totals		
Sept. 7, 1968	2,541,590	843,891
Sept. 7, 1967	2,613,665	855,255

FREIGHT-TRAIN CARS

• *Southern.*—Ordered 1,000 50½-ft, steel, single-sheathed outside stake box cars from Pullman-Standard at an approximate cost of $14 million. Delivery is to begin early next January. The cars will have 70-ton trucks, nailable steel flooring, 12-ft-wide doors and outside gussets at door posts to accommodate 50,000-lb fork-lift axle loads.

PIGGYBACK

• *Trailer Train.*—Ordered an additional 852 89-ft, 4-in. cars as follows: 212 low levels from ACF; 213 standard levels from Bethlehem; 350 low levels and 77 all-purpose cars from Pullman-Standard. This order brings TTX purchases of new cars since Jan. 1 to 4,565. On Sept. 16, TTX had 47,670 cars in service or on order.

TRANSIT

• *New York City Transit Authority.*—Is putting into operation the first of six Redec V solid-state supervisory systems for remotely controlling rectifier substations in the power distribution network of the subway system between Manhattan and Brooklyn. The systems were ordered from Westinghouse Electric's Relay-Instrument Division.

• *Massachusetts Bay Transportation Authority.*—Air conditioning systems for 76 rapid transit cars being built for the MBTA by Pullman-Standard will be manufactured by Safety Electrical Equipment Corp. of New Haven, Conn. Delivery of the 12-ton capacity conditioning units is scheduled to begin next spring. The cars will be used on the MBTA's new South Shore line and the existing Cambridge-Dorchester route, both serving the Boston metropolitan area.

NEW FACILITIES

• *Louisville & Nashville.*—Will install a 20-ft, 100-ton-capacity in-motion scale at Sibert Yard, Mobile, Ala.

MAINTENANCE EXPENDITURES

• *Second quarter of 1968 up 3.5% above second quarter of 1967.*—Expenditures by Class I roads for maintenance of equipment, way and structures in the second quarter of 1968 were up about $28.4 million, compared with the second quarter of 1967, according to report of AAR Economics & Finance Department, summarized below.

	Second Quarter		
	1968	1967	% Change
Maintenance of way and structures	$358,497,003	$332,776,684	+7.7
Maintenance of equipment	475,749,153	473,074,939	+0.6
Totals	834,246,156	805,851,623	+3.5

YOU OUGHT TO KNOW

Shippers boards are ready for annual meeting

Shippers from throughout the country will meet in Las Vegas, Nev. next month for three days of discussions of the changing techniques and technologies involved in moving rail freight. The occasion will be the 32d annual meeting of the National Association of Shippers Advisory Boards, with meetings scheduled for Oct. 15-17 in the Riviera Hotel. The program will include panel discussions of new marketing concepts and freight car efficiency, TOFC, and containerization. Other discussions will involve small shipments, car supply and the clean car program. AAR President Thomas M. Goodfellow will address the meeting.

ARE chooses the top achievements in its '68 awards

Seven railroads and a rail supplier came up with award plaques in the 1968 Association of Railroad Editors publications competition. Awards for general excellence, at the Association of Railroad Editors' annual meeting in Roanoke, Va., went to Penn Central, Chesapeake & Ohio/Baltimore & Ohio, Missouri Pacific, Illinois Central, Southern and Pullman-Standard. A newsletter award went to the Union Railroad, and a special award went to the National of Mexico. Cleo Mandes, of Fruit Growers Express-Western Fruit Express-Burlington Refrigerator Express, is the new president of ARE, succeeding H. Stephen Dewhurst, director of administration, public relations, AAR. Other officers are J. E. McGlashan, Bessemer & Lake Erie, first vice president; E. J. Wojtas, Rock Island, second vice president; Sheldon Butler, Santa Fe, secretary; and A. C. Hanson, Duluth, Missabe & Iron Range, treasurer.

Rail-Trailer Ryan award to DOT's Boyd

A new award in transportation comes on the scene this year—the Eugene F. Ryan Award, which will be presented annually by Rail-Trailer Co. to "the individual in the transportation industry who has done the most to advance the growth, development or concept of intermodal transport." First winner: Transportation Secretary Alan S. Boyd, who also will be the principal speaker at the award dinner scheduled for Oct. 22 at the Mayflower Hotel in Washington. Rail-Trailer's award, named for the founder of the company, includes a $5,000 scholarship which the award winner may assign to a student of his choice.

Canadians plan urban transport conference

Transportation problems in Canadian cities are fast approaching those in cities below the border—and Canadian officials are concerned. Next Feb. 9-12 in Toronto, Canadian transportation people and municipal officers, as well as transport officials from other countries, will meet for the First Canadian Urban Transportation Conference. "There is every indication," said Hon. Paul T. Hellyer, Minister of Transport, that the meeting "will be the launching point for a vigorous attack on the problems of urban transport." In preparation for the conference, regional seminars are being held by the Canadian Federation of Mayors and Municipalities.

Illinois Central names Hillman to new post

Stanley E. G. Hillman has been named to the newly created position of vice president corporate planning and development of Illinois Central Industries. He will also hold the same position with the Illinois Central Railroad, a subsidiary of ICI. Hillman comes from the General American Transportation Corp., where he was vice president and a director. Hillman will have a dual role at IC: He will help plan the corporate objectives of the company as well as develop its merger program, particularly in the field of non-rail acquisitions. Also, he will serve as liaison officer with non-rail companies already acquired by ICI.

Carroll P. Burks

Richard H. Rea

SUPPLY TRADE

Carroll P. Burks has been appointed director of customer relations, **Railweight, Inc.,** Northfield, Ill. Mr. Burks was formerly president, American Short Line Railroad Assn.

Richard H. Rea has joined the staff of **St. Louis Railway Supply Co.,** St. Louis, Mo., as sales engineer to railroads and freight car builders in the south and south west. Mr. Rea was formerly district manager, Edgewater Corp. (formerly Edgewater Steel Co.), St. Louis.

E. C. Mersereau, executive vice president and a director, **Ellcon-National, Inc.,** Totowa, N.J., has retired after 38 years' association with that company but will continue as a consultant.

Robert H. Grooms, sales and service engineer, **Jackson Vibrators,** North Little Rock, Ark., has been appointed midwest sales manager. He will contact railroads in the Chicago, St. Louis and Kansas City area, and his territory will extend into the south and west.

Paul W. Campbell, manager of marketing services, **Tank Car Division, Union Tank Car Co.,** has been named Midwest district sales manager. **James J. Haberkorn,** formerly group controller, **Leasway Transportation Corp.,** succeeds Mr. Campbell.

Thomas Lord, president, **Lord Corp.,** Erie, Pa., named chairman of the board and chief executive officer. **Donald M. Alstadt,** executive vice president, elected president. **Richard C. Henshaw,** corporate vice president, elected executive vice president.

Robert F. Pennington has been promoted from sales engineer to assistant sales manager, Engineering Group of **McDowell - Wellman Engineering Co.,** Cleveland, Ohio.

Mark R. Miller has been appointed president of **Marquardt Industrial Products Co.,** Cucamonga, Calif., succeeding **H. F. Goelzer,** who resigned to assume an executive position with Telchek International Inc. of Honolulu. Mr. Miller has served in executive capacities with a number of aerospace companies.

John A. Richmond has been appointed general manager, Cleveland office, **General American Transportation Corp.** He formerly was sales representative at Cleveland and New York.

R. A. Corley of **R. A. Corley Co.,** P. O. Box 187, Little Silver, N.J., has been named to represent **Jackson Vibrators** as sales agent on the following roads: Penn Central, Reading, Erie Lackawanna, Lehigh Valley, Delaware & Hudson, New Haven, Jersey Central and Long Island. Mr. Corley will also represent the company to the New York Transit Authority, Bethlehem Steel Co. Railroad Group, and the Port Authority Trans-Hudson Corp. Service for Jackson Vibrators' products in the eastern half of the United States will remain under supervision of **John L. Bevan,** regional sales manager.

Oakite Products, Inc., Berkeley Heights, N.J., and **Horst Kadersch** of Valencia, Venezuela, have announced formation of **Oakite de Venezuela, C.A.** The new firm will market Oakite products in Venezuela, Trinidad, Tobago, Surinam and the Netherlands Antilles.

Richard E. Wright, midwest sales manager, **Shunk Manufacturing Co.,** Bucyrus, Ohio, has been appointed general sales manager. **John E. Rehm,** manager of production services, has been named man-

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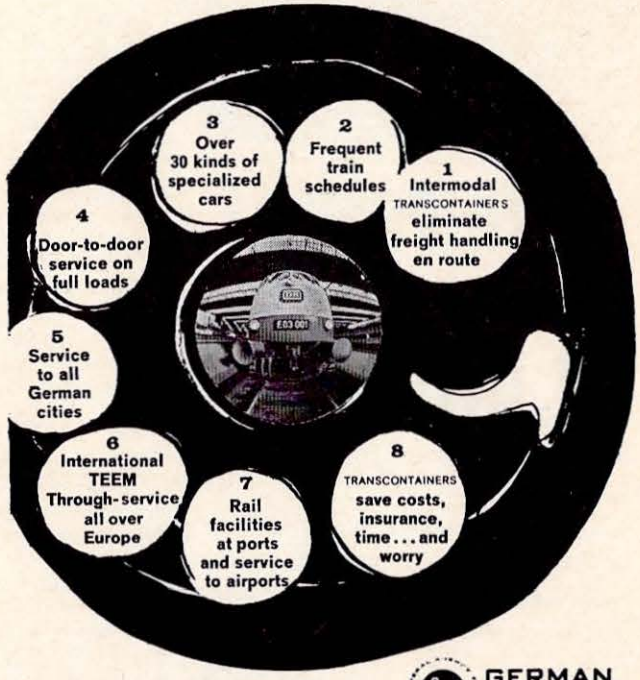

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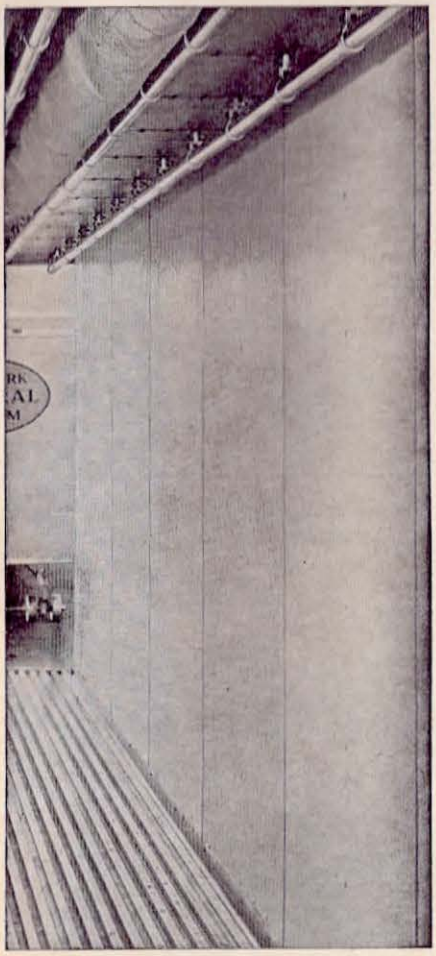

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Circle 22 on coupon page 53

ager of customer service, a new position.

Charles W. Krause has been appointed to the newly created post of corporate industrial engineer, **Portec, Inc.**, Chicago. He will serve all six divisions of the company. Mr. Krause was formerly chief engineer, Alexander Proudfoot Co., Chicago management engineering consultants.

Virgil T. Carmichael, Jr., has joined **Lithcote Corp.,** as manager, Maintenance Division, Ville Platte, La. He was formerly plant manager, Richmond Tank Car & Manufacturing Co. of Texas at Angleton, Tex. **Maxwell L. Chizk,** formerly with General American Transportation Corp. at East Chicago, Ill., will assist Mr. Carmichael at Ville Platte. **Richard W. Arndt,** also formerly with GATX, is now manager of Lithcote's Maintenance Division at Altoona, Pa.

INDUSTRIAL TRAFFIC

William P. Pierce, assistant general traffic manager, **Kaiser Steel Corp.,** Oakland, Calif., has been named general traffic manager. Mr. Pierce is chairman, legislative committee, Pacific Coast Shippers Advisory Board and a member of that board's executive committee. He was recently elected 1st vice president, San Francisco Bay Area Chapter, National Defense Transportation Assn.

John E. Phelan promoted to general traffic manager, **Anheuser-Busch, Inc.,** St. Louis, Mo., a newly created position.

Jerry D. Perkins, manager of transportation research, **Great Northern Paper Co.,** New York, has been appointed director of transportation.

Gordon L. Rulong has joined **Pennsylvania Glass Sand Corp.,** Englewood Cliffs, N.J., as assistant traffic manager, Pittsburgh sales office. He has had six years experience with O. Hommel Co.

Joseph C. Andraski, traffic assistant, **International Salt Co.,** Clarks Summit, Pa., has been promoted to the new position of distribution operational manager.

Edwin C. Tauge, assistant traffic manager, Midwest operations, **Boise Cascade Corp.,** Chicago, has been promoted to administrative assistant to the director of transportation and distribution at Boise, Idaho.

Raymond A. Velez, manager of international services, has been appointed to the new post of vice president—traffic, **National Carloading Corp.,** Oakland, Calif.

D. B. Carr has been promoted to assistant director of sales and traffic, **Transamerican Trailer Transport, Inc.,** Staten Island, N.Y. He was formerly midwest regional sales manager in Chicago.

Robert A. Hains has been appointed corporate traffic and customs manager, **Northern Electric Co., Ltd.,** Montreal, Que., Can., succeeding **C. Stewart Bacon,** retired after 40 years with the company.

Edward F. Mickens, general traffic manager, **Becton Dickinson & Co.,** has been appointed manager of distribution and general traffic, Becton-Dickinson Division, Rutherford, N.J.

Donald A. Chute has been appointed manager, Transportation & Distribution Services Department, **Armour & Co.,** Chicago. He was formerly transportation manager, Food Group.

DIVIDENDS DECLARED

BEECH CREEK.—50¢, quarterly, payable Oct. 1 to holders of record Sept. 16.

GREAT NORTHERN.—75¢, quarterly, payable Nov. 1 to holders of record Oct. 14.

MISSOURI PACIFIC.—Class A, $1.25, quarterly, payable Sept. 30 to holders of record Sept. 16.

NORFOLK & WESTERN—$1.50, quarterly, paid Sept. 10 to holders of record Aug. 8.

PITTSBURGH, YOUNGSTOWN & ASHTABULA.—$1.75, quarterly, paid Sept. 3 to holders of record Aug. 20.

SOO LINE.—$1.25, paid Sept. 25 to holders of record Sept. 6.

SOUTHERN.—70¢, quarterly, paid Sept. 16 to holders of record Aug. 15.

SOUTHERN PACIFIC.—40¢ quarterly paid Sept. 16 to holders of record Aug. 23.

UNION PACIFIC.—50¢, quarterly; Preferred, 20¢, semiannual, both payable Oct. 1 to holders of record Sept. 9.

WHEELING & LAKE ERIE.—$1.43¾, quarterly, payable Nov. 1 to holders of record Oct. 4.

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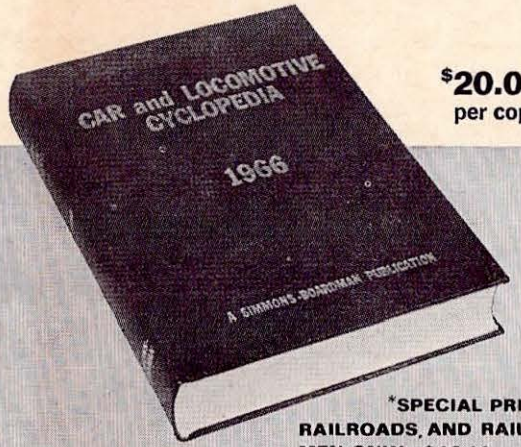

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VIEWPOINT

From suppliers: A rousing vote of confidence

"The only thing wrong with this meeting," commented one railroad man who attended the recent sessions of the AAR's Purchasing and Materials Management Division in St. Louis, "was that we didn't have a few hundred shippers present. They would certainly have gone home with a different impression of railroads than they are getting from the newspapers."

They would have, indeed.

Equipment suppliers stole the show at St. Louis (*see page 24*). They talked with excitement and optimism about what they are doing today to equip the railroads of tomorrow. They described the sophisticated and increasingly versatile freight cars—some of them still on the drawing boards—that will be competing vigorously for tomorrow's shipper dollar. They described the bigger, more efficient locomotives that will be hauling these cars.

They hardly sounded like men who think that they (or their railroad customers) are in a dying business.

On the contrary, they clearly feel that they are part of a growing industry, and they want to stake their claim to a chunk of it. Why so optimistic? Hear GE's Donald Meier, manager of locomotive business and product planning:

> **"There is one outstanding factor in the railroads' favor, which has not received the recognition it deserves in today's circumstances. It is the railroads' highly efficient use of resources. As the population and the economy grow, the margin between available resources and the demand constantly decreases. Sometimes the margin disappears. For example, it is common to see planes lined up on runways awaiting an opportunity for takeoff; or flying in a holding pattern awaiting a turn to land. The Interstate Highway System often loads up to the point where traffic moves at about half speed. We are running out of margin in resources in land for highways, streets or airports . . . . What better strategy then to make greater use of the most efficient mode?"**

Are the equipment-builders ready to do their part in bringing space-age shippers back to this "most efficient mode"? W. E. Kemp, ACF's manager of product planning, put it this way:

"It seems to me that when radical changes from present-day design are talked about, eyes are turned to industries that are associated with radical changes, such as the aircraft industry. But don't slight your carbuilders. The carbuilding industry, with its new technical centers and capable staffs dedicated to the design of railroad equipment, has the capability of designing any type of car or train that you need."

Make "carbuilders" read "railroad suppliers"—and you have, we think, a pretty good description of our entire supply industry. They're profit-minded. They're customer-minded.

•

At another meeting last week, AAR President Thomas M. Goodfellow asked: "Why . . . does our image continue bad—even with shippers?"

Maybe we ought to send the suppliers out to talk to them.

In Equipment for Piggyback . . .
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Operated by REAL SERVICES, INC., a service subsidiary of REALCO, the new trailer repair facility at the Atlanta rail yards is within five minutes of major piggyback ramps in Atlanta . . . provides fast, expert trailer repairs for Members of The National Railroad Trailer Pool.

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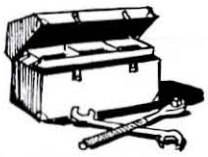
Because Pool trailers are repaired and rolling again within a few hours, Members and their shipper customers enjoy the lowest downtime and highest availability factors in the piggyback industry. Many damages are repaired on the spot by the men of the REALCO Mobile Service Unit Fleet. The exclusive Trailer Damage Protection Program absorbs up to $150 for off-car damage regardless of where the repair takes place and without additional cost to Members . . . for the lifetime of the trailer. REALCO trailer repair facilities are fully stocked, equipped and staffed to serve as an important link in carrying out this program now, and as the Pool continues to expand. Also, 342 affiliated or contract garages and service facilities are available for repairs.



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To keep the 13,000 Pool Trailers on line and on the go, REALCO carries on a program of maintenance, directed and supervised by regional field maintenance personnel situated where the need for action is...through affiliated and contract service facilities, and the national fleet of company owned Mobile Service Units. Regular maintenance and service are provided at each point of trailer assignment, and at points of movement concentration.

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Under its exclusive Full Service Program, REALCO arranges for repairs or replacement on any REALCO trailer at no additional cost to Members. REALCO maintains a stock of spare tires at over forty locations . . . absorbs *all* the costs of tires for the entire lifetime of every trailer in the fleet.

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Railroads find that REALCO service multiplies the inherent advantages of piggyback . . . because, in the Pool, they receive more real services from REALCO on a nationwide scale than anyone else provides.
REALCO reinvests corporate profits into permanent repair facilities, staffed by full-time experts in trailer care.
REALCO constantly adds to its Mobile Service Unit Fleet, bringing on-the-spot service and repair to damaged trailers in railroad terminals.
In other words, REALCO is totally committed to SERVICE, and spells it out *in writing for every Member!* REALCO invests in quality equipment, then *keeps it that way.*

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Service is our business. All that a Member has to do is telephone when REALCO trailers are damaged. Then REALCO people move swiftly, from repair bids on through final inspection. It all adds up to REAL SERVICE.

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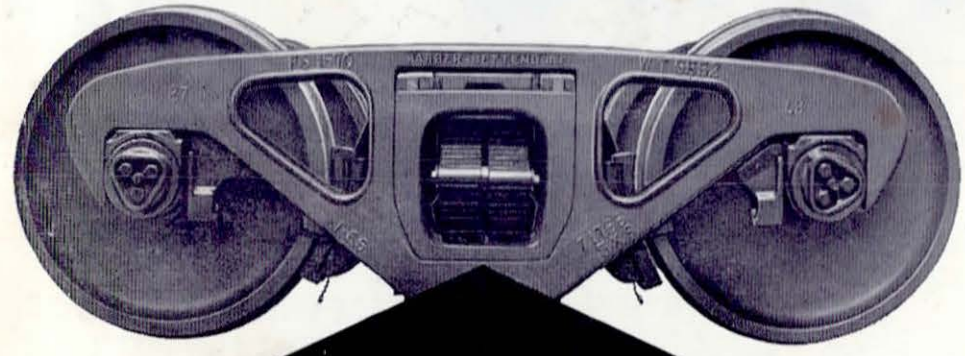

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